

CHECKLIST OF IMPORTANT CONSIDERATIONS

from the AIA TRUST GUIDE TO VIRTUAL PRACTICE

The permutations for "virtual practice" are endless and evolving so one could never discuss all possible options. There are many considerations and questions to be asked when one is contemplating starting or working in a virtual practice. Relying on a competent business consultant and attorney are good places to start. However, the ground rules for traditional practice also serve to inform those who would like to pursue new and effective ways to conduct a virtual practice.

So, what are the "keys" to a successful virtual practice? Based on experience, here is a checklist of important questions and criteria to keep in mind:

Firm Management Issues

- If you're starting a virtual practice with a partner or a group of people, take great care to ensure that each person's role and responsibilities are communicated and understood by everyone with a vested interest. Friendships are tested in business relationships, so clarity of expectations and understanding are of paramount importance.
- Plan how you will consistently and regularly communicate with your firm's employees and/or contractors since you do not occupy the same office space.
- Decide what type of firm culture, product, and career you are trying to build – then focus on matching the appropriate people, projects, and lifestyle choices.
- Gain a basic understanding of contract law and intellectual property rights—a good starting place may be AIA Contract Documents that an architect normally studies for the Architects Registration Exam (ARE). See Appendices A & B for the basics on contract and tort law. Consult with your attorney on questions of law and legal interpretation.
- Study the business practices and culture of the place/country where you have a project or where those you hire for the project reside.
- Have a construction lawyer or intellectual property lawyer as part of your list of third-party consultants – which may not be needed but is a wise investment. Consult the AIA Trust LegalLine for more information – and the AIA Trust Legal Network for referrals.
- Let your priorities be driven by the needs of your business operation, which will vary based on the unique size, industry focus, and culture of the architecture team.

Firm Infrastructure Issues

- Invest in and utilize appropriate technology and software upgrades – so you can hold virtual meetings and share documents with an ever-expanding array of apps and software tools such as: GoToMeeting, Skype, WebEx, Slack, WeTransfer, Google Drive, Dropbox and similar tools.

- Utilize project extranets to establish relationships, streamline communications, increase accountability, and create a permanent record of project information.
- Identify appropriate and convenient meeting locations for project team meetings, whether in a restaurant for lunch, at a coffee shop, or in someone's home. Employees (or contractors) should always be prepared to visit the client's turf for client meetings.
- Become registered in multiple states if important to the scope of your firm and where required by law. Register with NCARB and utilize their certificate process to achieve other state licenses through reciprocity.
- Be sure to have your own state business license and investigate other state licenses where you may be doing business – and especially if the firm will be signing and sealing documents in other states.
- Insure yourself. Take care to bring your carrier and insurance broker into the conversation early as you will likely need to make changes to your policies moving forward to address the specifics of your firm's approach.
- Insure yourself – even as you're a solopreneur contractor, you need to be covered.

Employee & Contractor Issues

- Find – and develop – successful independent contractors. Seasoned professionals can serve as project managers and less experienced architects can be mentored to grow and develop their own skill sets.
- When you are hiring firm employees, ascertain before hiring the level of employee motivation and whether the potential employee is a self-starter – an imperative for working independently in a virtual office environment.
- Consider outsourcing your payroll – and possibly utilize a Professional Employer Organization (PEO) to handle it along with benefits administration, HR compliance and related needs.
- Pay attention to the 20 factors that determine whether a worker is properly classified as an employee or as an independent contractor. Control is paramount when determining worker status.
- When leasing employees, consider language drafted by an attorney that reduces the design firm's risk to shift it to the client.
- Joining a virtual practice as a part-time contractor may be ideal for younger architects who want to learn how a virtual practice works without leaving their current job, where not prohibited by law or contract.
- Younger architects should have a good understanding of their own strengths in delivering a project so the firm owner is clear as to what talent(s) they will contribute to a project.
- Starting a virtual practice is ideal for experienced, mid-career architects who thoroughly understand the target market, are technically proficient, have a well-developed business acumen, and have built a network of clients.

- Establish employee technology use and transition/exit policies and procedures for the firm.

Marketing Issues

- Determine how you will find work and grow the business from the standpoint of marketing, sales, and business development – and organize an appropriate backup plan to make money while getting the firm off the ground. It's important to identify the “hidden costs” to starting and running a business so you can plan a stream of alternate income for the first year.
- Identify your client base and where the work is going to come from – and equally important, how it is going to get done. Define appropriate profit margins, time allocations, and staffing models that address the defined work stream.
- Employees can be encouraged to become rainmakers for the virtual firm – as are independent firm owners with their own clients and projects then working together as each other's clients.
- Consider outsourcing some business development and marketing efforts.

Financial & Fee Issues

- Focus on results, not hours, and structure fees appropriate to the size and business strategy of the firm.
- Adhere to a financial discipline that responds to the market and pays careful attention to overhead. Consider payment schedules that address the needs of the firm and the design process.
- Understand that as with most businesses, there will be “peaks and valleys” financially. But with negligible overhead, simply be prepared to weather any valleys.

For More Information:

Read the synopsis and complete [AIA Trust Guide to Virtual Practice](#).

Contact [AIA Trust Practice Coach](#) for more information about how they can help your firm, whether virtual or traditional.

Visit the [AIA Trust Legal Network](#) for referrals and the [AIA Trust Professional Liability Insurance Database](#) for more information about insurers.

Review [AIA Trust Resources](#) for pertinent considerations about professional liability insurance, brokers, applications, and other coverage.

Consider whether a [Professional Employer Organization \(PEO\)](#) would work for your firm.

If you're just starting a firm, see the [guide of resources and benefit programs](#) especially geared to you.

For more information on Benefit Corporations, visit <http://benefitcorp.net/> .