

# Tools to Help Architecture Firms Succeed



## online-payments

Many have chosen to forget the impact of the Great Recession on architecture firms. According to the US Department of Commerce, architecture firms nationally lost over \$14 billion in revenue or 21% of their 2008 billings during the downturn. The loss of revenue caused downsizing of over 60,000 payroll positions with over half of these losses estimated to be architecture positions. Now, as the market recovers, firms are looking at a variety of strategies to help offset the losses they suffered during the decline.

During the downturn, many architecture firms had to adapt to survive, making difficult decisions to remain viable. An architect friend of mine had to take a cut in pay of nearly 80% and lay off more than 50% of the staff in order to stay afloat. This was dramatic and painful, but necessary for the firm to survive.

Architecture firms tend to be small, with the majority having less than 20 employees. But the data from the 2012 AIA Firm Survey reports shows that the share of architectural firms that are very large (with 100 or more employees)

declined by half from 2008 to 2011. More telling is that a larger share of firm billings shifted to the smaller firms during this same period. Although mid to large size firms continued to generate the majority of billings, smaller firms were responsible for more than 1/3 of total firm billings in 2011, compared to 1/4 of billings three years earlier. It's likely that a number of larger firms closed due to the downturn, with their architects scattering to smaller practices.

Now that the economy is on the upswing, architecture firms have had time to reflect and recalibrate so not to repeat the austerity endured during the Great Recession. The focus now is on streamlining processes and reducing administrative duties to increase project profitability. Learning to better utilize current staffing and doing more with less. Leveraging cloud software for tasks that were once performed manually to increase greater efficiencies.

One issue that often plagues architectural firms is the ability to accurately track and record billable time spent on a project. Notebooks, It is not uncommon for a firm to lose 30% of its billables due to poor time management processes. Using an easy, desktop and mobile time billing app can help architecture firms capture every minute and accurately record time. Knowing exactly how much time a project consumed can help in forecasting future project costs. The same time tracking can be used for nonbillable hours to help better utilize staff and increase productivity. For instance, creating an invoice is typically not billable time, but understanding the process and the time to invoice can help in developing more streamlined processes that reduce overhead costs. Time tracking can be pivotal to capturing billable project time while reducing overhead.

Accurate [time tracking](#) leads to accurate [expense tracking](#). Expenses can begin as a small financial leak to a raging stream of lost revenue. Capturing every expense and recording that expense at the time incurred is always best. Look for an app that offers on-the-go expense tracking by photographing receipts and syncing with the master project record. This way you can plug the financial drain of lost expenses.

As mentioned, [invoicing](#) not only costs a firm administrative time, it also creates a number of other different issues. For instance, if an invoice lacks clarity or detail, a client may wait to pay or request additional documentation in regard to support invoiced line items. This not only impacts a firm's revenue stream it can be the beginning of eroding client trust. Ensuring every invoice has the detail needed to clearly identify work performed and the value to the client is critical to an invoice being paid in full and in a timely manner.

Lastly, leveraging an end-to-end software solution that solves these issues can help a firm focus on the next project rather than manually managing current work. A software that includes time and expense tracking, project, client and document management, plus invoicing with convenient [online payment options](#) can help a small architecture firm reduce costs, better utilize staff and provide clients the transparency and convenience desired to remit payment on time. Bill4Time offers a flexible, easy to use time and expense tracking for accurate invoicing. Invoicing is clear, ensuring value-added descriptions of work performed and offers a [secure client portal](#) with convenient online credit card and PayPal payment options. Bill4Time offers architecture firms a one-stop time billing solution that meets their needs and scales as they grow.

Register for a free trial and learn more about [Bill4Time time billing software for architects](#).