

Architects' Council of Europe  
Conseil des Architectes d'Europe



Guidance on the Organisational  
Structure of Architectural  
Practices in Europe:

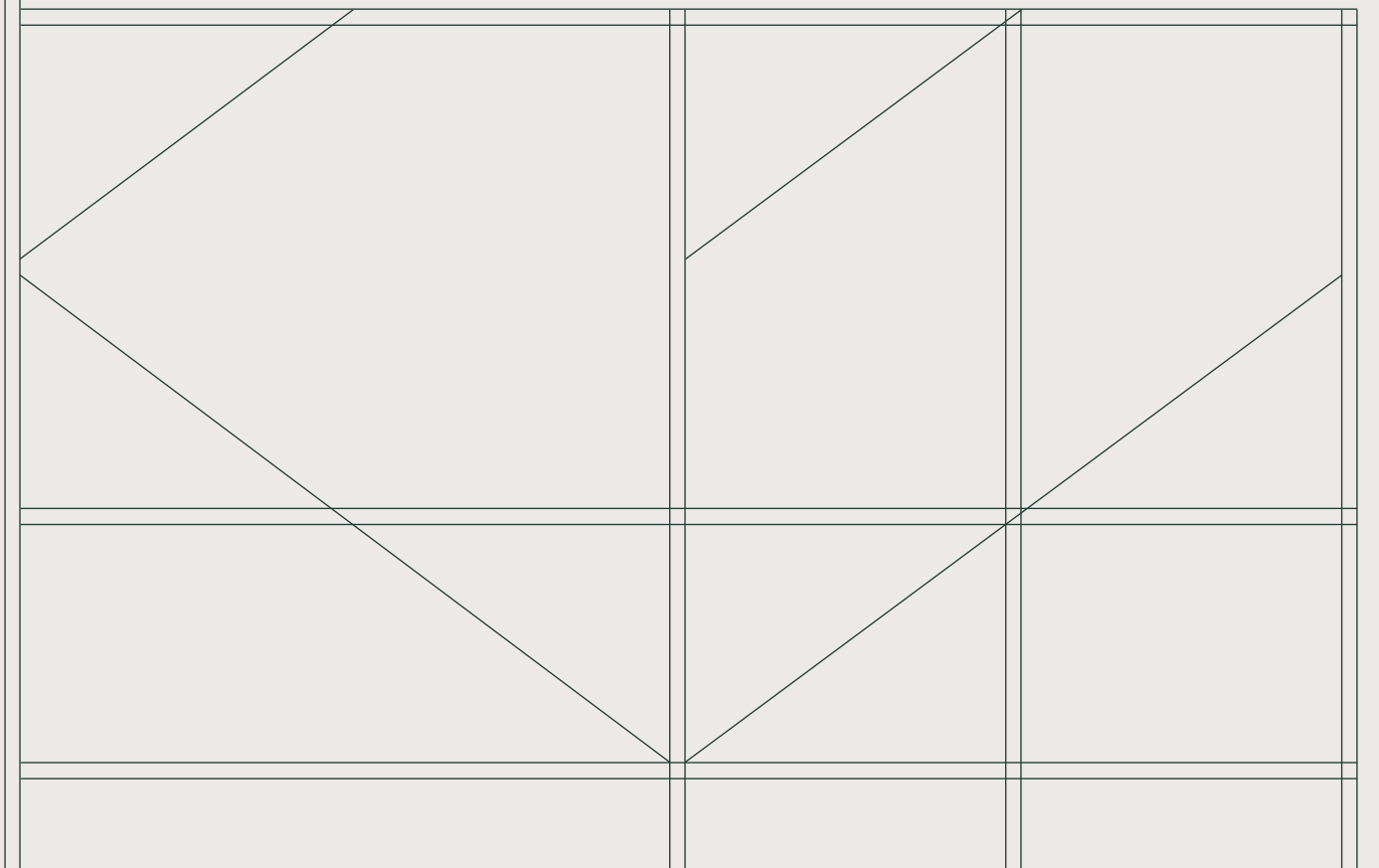
# A PRIMER ON **GROWTH** & INTERNATIONALISATION

Chapter 0 Introduction	04
Chapter 1 Foundation Trends & Differing Organisational Structures	14
Chapter 2 Starting Barriers	20
Chapter 3 Organisational challenges & Management of Expanding Practices	26
Chapter 4 Team Skills and Competency, Management and Leadership	32
Chapter 5 Internationalisation & Future Growth	38
Conclusion	44



Introduction

**Is there a foolproof  
model for architectural  
practices that want  
to grow and to  
internationalise?**





# Introduction

## IS THERE A FOOLPROOF MODEL FOR ARCHITECTURAL PRACTICES THAT WANT TO GROW AND TO INTERNATIONALISE?

What are the major benefits, obstacles and opportunities linked to growth and internationalisation of architecture practices? This primer study gathers both quantitative and qualitative information on evolving business models linked to practice expansion in the architectural profession in Europe. It examines financial benchmarks from European practices of different sizes, presenting a starting set of statistics for practitioners to measure against their own position and rate of growth. The study's main content has been drawn from nine interviews with practice leaders from outfits of varied sizes founded in Germany, Greece, Malta, Poland and Spain, with topics covering organisational and financial structuring, opportunity scouting, and the practical needs linked to growing a practice overseas.

The desire for architectural practices to grow and export their work into new, foreign markets is often fuelled by multiple objectives and can be an unpredictable, even volatile process. The interviews in this study show that there are a variety of reasons for the pursuit and eventual implementation of expansion. Practitioners' desire to grow might form part of wider, premeditated strategic plans, or conversely emerge as a product of chance – a result of a seized opportunity, for example through a competition win for a large or prestigious project. Perhaps the most clear-cut evidence drawn out from the data gathered is that there is no singular or static model for expansion. The potentiality around growth – its speed, ambit and overall success – is often dependant on compound factors including practice size and agility, and certainly contextual and/or market forces. The guidance outlined in this primer therefore offers scenarios and examples from practices of different scales, with some recommendations overlapping, and others significantly diverging.

Differing practice size affects most, if not all, activity related to growth strategies. In particular, the promise of expansion and the attainability of international export must be considered in some correlation with the financial standing of a practice. Although not all instances of expansion are a result of financial advantage – some practices are lucky enough to win work abroad on their first design competition or foreign client liaison – nor do only the most profitable practices stand a chance at growing. But the manoeuvrability that is granted by generous business development, bidding, and work winning budgets should be factored into considerations on growth potential.

At minimum, this study's statistics show that the scope of sector coverage amplifies in direct proportion with practice size and turnover, and that larger architectural offices have some advantages in efficiency, enabling them to generate higher turnover per staff and in turn representing a valid reason to grow at least beyond 6-10 people. It also means that the larger the practice size and the greater its turnover, the more able it is to engage in future work competitions, covering the broadest spectrum of sector penetration.

On the other hand, costs per head for larger practices, as well as the technical, administrative and supportive frameworks and staff needed to maintain a bigger business and team, also need to be considered as a factor in the efficacy of growth planning and implementation. Yet despite inflated costs and resource demands, the data shows the capability for larger practices to enter architectural design competitions to be greater. It also shows the percentage of total practice turnover from international earnings to be higher in bigger outfits. While these statistics give a firm overview of the trends that associate with different sized practices operating in Europe, the nine interviews conducted as part of this study provide more nuance. Each testifies to the uniqueness and diversity of any given practice's own journey of growth.

What is clear is that the successful exportation of architecture practice is governed by a mix of strategy, competency, and luck. This study offers a departure point for further professional guidance on growth and internationalisation, providing a basis for comparison, assurance, and lessons learned.

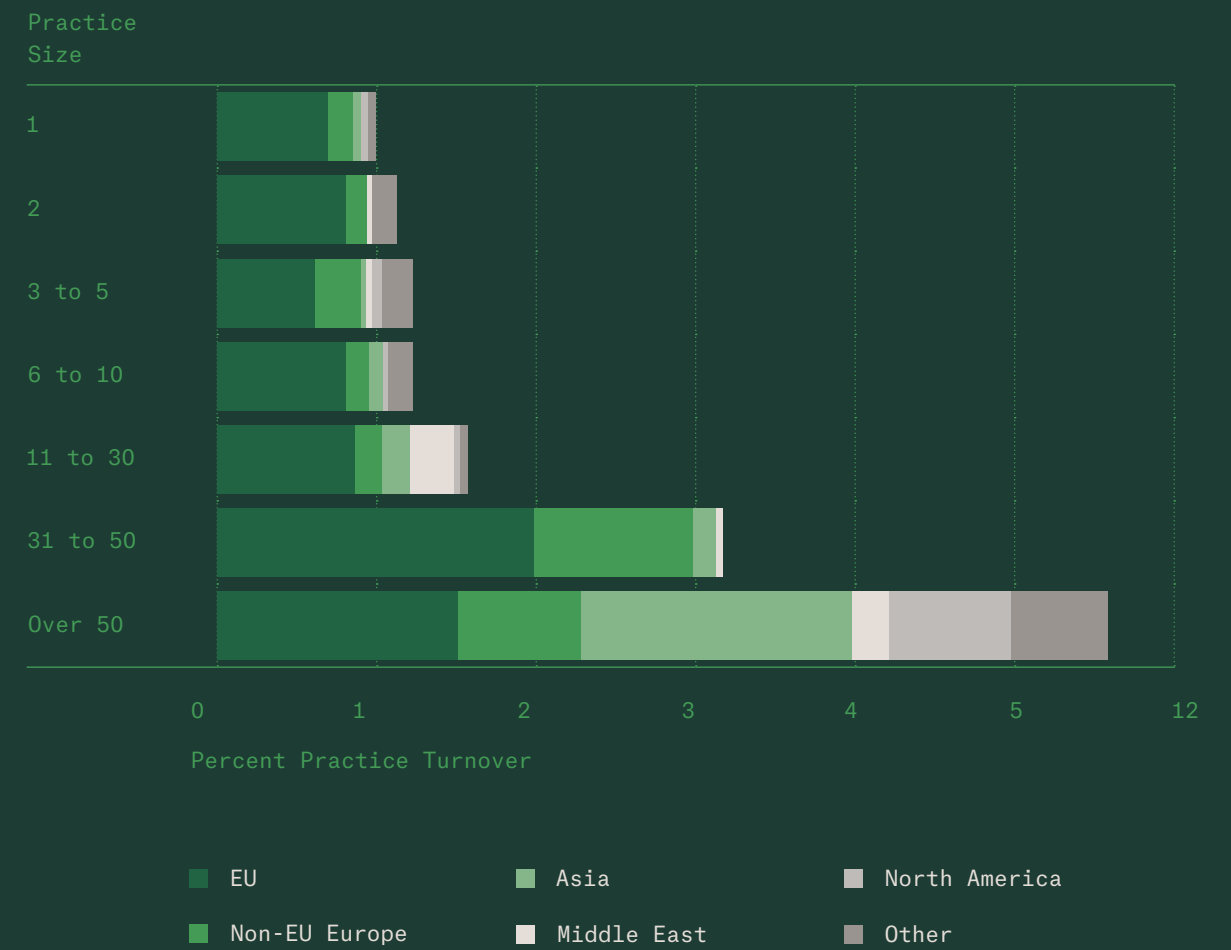
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**Figure 0.1**  
**AVERAGE (MEAN) PRACTICE TURNOVER PER PRACTICE AND PER HEAD, € PER ANNUM ADJUSTED FOR PPP**

Practice Size	Mean turnover per Practice	Per Principal	Per Architect	Per All Staff *
1	44.029	44.067	44.005	43.987
2	77.756	69.619	49.964	42.296
3 to 5	166.551	127.785	58.625	44.483
6 to 10	418.641	280.575	89.649	69.685
11 to 30	1.202.059	560.901	111.174	91.080
31 to 50	3.848.452	1.336.239	155.354	104.923
Over 50	12.668.138	1.558.509	200.463	122.028

\*'Architectural staff' = Principals, Partners and Directors; architects; architectural technologists; architectural assistants.

**Figure 0.2**  
**AVERAGE (MEAN) NUMBER OF SECTORS IN WHICH PRACTICES ARE WORKING, PERCENTAGE %**













The scope of this study was not to survey how or why architecture practices are first set up. However, it was useful to learn the prevalent or recurring patterns behind why the interviewees first founded their offices. Their foundation stories explored the priorities and leadership styles that were set by the various practices at inception, understanding whether starting dynamics were carried forward to inform the way different outfits evolved and grew.

Many of the interviewed practices began as a result of student relationships – architecture students graduating from studying together to working together. This gives credence to the strength of beginning from a common background, having peer contemporaneity, and building on like-mindedness. Moreover, starting with a strong relational background appears to be the bedrock for creating effective managerial structures, and can prove to be a source of cohesion at different stages of growth journeys. For example, in practices with fewer than 20 people, founders were shown to typically manage most tasks themselves, without much rigid organisational hierarchy needed. In these tight-knit managerial formats, trust between leaders is an asset that is difficult to manufacture inorganically.

With larger practices, it became clear that support systems and departments needed to grow, formalise and become more specialised. Across the board, one of the biggest challenges was being able to competently run a business whilst maintaining focus on architectural excellence – a challenge that seems to grow in complexity as practices grow in scale.

**“Running a business of this scale by a group of architects unqualified in business administration requires overcoming many different types of challenges on a daily basis.”**

– APA Wojciechowski Architects, Poland.

# Key observations and guidance

18

## Practice size: 0-10

### The agility of flat hierarchy

In some instances in smaller outfits, flat organisational structures with no clear hierarchy (senior or junior staff) can be effective. Teams can be formed on the basis of respective project needs, with relevant expertise in architectural teams being transferred from project to project as needed.

### Economising via freelance staff

Small-sized practices may find efficiency and savings using a flexible hiring strategy, with only a skeleton of employees recruited on a permanent scope and additional staff hired on a project-specific basis. This approach may have potential to yield increased flexibility in terms of scheduling and organisation.

## Practice size: 10-50

### Delegation and shifting remits

In growing studios, practice leads often shift from steering projects to higher-level responsibilities, remaining active only in project initiation. This can be seen to empower teams and drive upward mobility.

### Considering self-initiated projects

The model of self-initiation and development, if viable, at times could work to generate business and keep project pipeline afloat.

### Remuneration incentivisation

As practices grow, participation or lock-step schemes, where remuneration is based on length of service and profit share is increased year on year, become an interesting loyalty and incentivisation model.

## Practice size: 50+

### Investing in service diversification

In larger practices, the merging of disciplines under one roof is more achievable, and can work to change the outlook of the business both internally and externally. Embarking on a service redistribution or expansion exercise requires understanding areas of growth and a thorough assessment of options.

### The importance of receptiveness

Even with larger practices, the value of remaining open to chance and happen-stance is an important non-strategic avenue to work-winning. Growth among all practice sizes is often not just a result of research and relationship-building, but of staying nimble and seizing opportunities.



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Architects: XX  
Photo: XX





Once a practice is founded, the task of keeping it buoyant and building financial and reputational strength requires an assorted, adaptive business skill-set. The desire to expand and export business outside one's native market is an added challenge. Matters such as developing the right financial model for longevity, curating a robust client network and honing work-winning strategies, and building risk adversity in the face of changing contextual or economic forces are significant starting barriers facing any practice, let alone those looking to transpose their work to a foreign market.

When discussing starting barriers, one key finding from the nine interviews was that the smaller the practice is, the more difficult it can be to win large construction contracts. Swelling a team's size, therefore, showed to be conducive to exportation of work abroad. Effective communication was cited as vital to growing a team, with openness and transparency crucial to maintaining cohesion and ensuring employees remain engaged and informed. As teams grow, direct and personal interaction between leadership and individual employees inevitably changes – this requires deliberate management.

The subject of winning work in foreign markets varied across different practices. Some won contracts through design competitions, some through personal relationships, others through exporting technical services to foreign collaborators. The commonality between all was the need to gain knowledge from, and maintain a degree of presence within, their new markets, ensuring a level of representation and skill could be maintained 'on the ground'.

**“Research on the markets and on your own means of projection is key. There is no single approach. A programme of interlinked but different actions is required and at the end there is also an element of fortune.”**

– AP Valletta, Malta.

# Key observations and guidance

24

## Practice size: 0-10

### Winning work through competitions

Design competitions require an upfront investment of resource and time, but if successful, can change the trajectory of a practice. Practices should scout competition and tender portals that target desired geographic catchment. Even if unsuccessful, competition processes often provide opportunities to meet consultants, developers, and other agents who may subsequently commission work.

### Exploring lateral avenues

Pursuing academic roles, or even secondments, could facilitate establishing contacts abroad. This nurtures diverse future networks.

## Practice size: 10-50

### Models of risk adversity

At the start of a practice's lifespan, the issue of liability comes to the fore. Practice leaders should be mindful of having in place the correct liability insurance, as well as the importance of having coverage for foreign planning contracts where needed.

### Research and image management

Securing enough work is a prevalent starting barrier for practices. Work may be won through competitions, direct relationships, or indirect contacts. Success ties closely with effective communication of a practice's brand and offering.

## Practice size: 50+

### Budgeting for business development

At a larger practice scale, significant investment in business development is crucial and having a department for winning work is standard. This should incorporate individuals or teams traveling globally to secure projects and clients. In some set-ups, a business development partner is nominated to lead on work winning, in others, all senior staff is encouraged to identify and nurture client relationships – many do both.

### Contextual crises and mitigation

All practices are vulnerable to halting projects due to economic downturn. Larger outfits may be forced to shrink as a result. This underscores the importance of sector diversification, and strategic planning, relationship-building, but of staying nimble and seizing opportunities.



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Architects: XX  
Photo: XX



## Chapter 03

# Organisational Challenges and Management of Expanding Practices

## 3

The growing pains of expanding a practice appear to lie quite dominantly with the management of organisational systems. Having the proverbial ‘house in order’ locally was stressed by all interviewees when discussing the decision to move to foreign markets.

Specifically, the notion of support and administrative departments takes on added significance with the prospect of expansion and exportation. The practices interviewed broadly showed that architectural studios of around 20 to 30 people could be successful without large, dedicated PR, accounting or HR departments. Outsourcing these services proved to be effective enough for some. Indeed, the transition from a small practice to a medium-sized stands to benefit from outsourcing, releasing greater focus to design work, project management, and optimising time and resources.

With the internal structure of a practice firmed up, attention can more actively be turned to forging collaborations abroad. The importance of finding reciprocity within joint ventures was emphasised as a determining starting condition for successful collaborations. The often intangible ‘chemistry’ that is needed between collaborators was highlighted, both in terms of service exchange, but also as individuals having to build trust and rapport with one another. Aside from establishing clear collaboration terms with partners from the start, the recognition of professional capacities and limitations of each party was stressed. The constraints of working remotely was also pinpointed as a significant consideration.

**“As the office size grew, so did the complexity of managing the firm, particularly maintaining effective communication, ensuring information flow, and managing administrative tasks.”**

– GRAFT Gesellschaft von Architekten mbH, Germany.

# Key observations and guidance

30

## Practice size: 0-10

### Beginning with bolt-ons

With small practices, there is often a need to outsource administrative and financial tasks, enabling more focus on design work and project management.

### Focusing on project integrity

In tight-knit teams, collective coordination is easier to manage. Meetings to review project status are easy to hold regularly, building clear lines of responsibility whilst fostering group cohesion.

### The Local Architect role

Changing roles from a lead architect to a local architect and vice versa is useful for understanding the nature and limits of successful collaboration.

## Practice size: 10-50

### Turning down work

As a practice grows, a challenge becomes staying true to an original vision. This could mean refusing work that does not align with the business' ethos, ensuring high-level goals do not steer off course.

### A need for versatility

When running a lean team, a leading success factor is a versatile skill profile. When growing, investment in software and training is vital.

### The risk of rapid expansion

If practice wins a large-scale project, it often must consider significant and rapid expansion. This may expose it to vulnerabilities of global economic shifts, and should always be done in conjunction with risk mitigation.

## Practice size: 50+

### Protecting human resources

When a practice grows to include more employees, a dedicated Human Resources professional and/or department is needed to manage recruitment, employee relations, and compliance with labour laws.

### Firming up legally

Equally, it is important to appoint or externally engage specialists to handle contracts and legal matters. This is frequently necessary as a result of increased volume and complexity of projects.

### Building more marketing muscle

A more robust Public Relations team may be needed to handle media relations, marketing, and branding.



The International Rugby Experience, Limerick, Ireland  
Architects: Niall McLaughlin Architects  
Photo: Nick Kane





Chapter 04

**Team Skills  
& Competency,  
Management  
& Leadership**



Practice leaders noted the cultural shift in architectural practice over time. Today's generation of architects differs to what came before – attention to work-life-balance has increased, with the need for a sense of reward and ownership now more strongly felt. The all too common condition of long hours has been met with lower tolerance by emerging architects. Businesses have accordingly had to adjust to working smarter.

The importance of up-skilling, training, and having the right software infrastructure goes hand-in-hand with moving towards leaner practice. Interviewees discussed the introduction of robust software as a key necessity in growth strategies. They advised that software systems should be dependant on capacity to handle scalable tasks, so that as the business grows, the systems themselves resist redundancy.

The importance of training and mentoring was underscored. Leaders insisted that practices should actively invest in formal and informal training to keep pace with industry standards. Even with larger practices, the subject of career support was prioritised, praising traditional principles of apprenticeship as means to foster personal growth.

Once again, the question of practice size came into play, with practice leaders pointing to the benefits of a larger studio in terms of flexibility, more specialised expertise and, as a result, better quality of projects. As outfits grow, administrative structures such as Quality Management Systems become essential to maintaining high standards across multiple projects. Overall, larger teams are more able to acquire and hone the dexterity needed to navigate new markets.

**“What has become much more difficult today is being able to bid for certain construction contracts at all, because you first must prove that you have the expertise to build them.”**

– Zanderroth Architekten GmbH, Germany.

# Key observations and guidance

36

## Practice size: 0-10

### Deciding to stay small

Some practices might, for many reasons, prefer not to grow above a set number of team members. Understanding individual needs is key to employee satisfaction and maintaining a healthy office atmosphere. Staying small can mean easier daily contact and interaction between leadership and staff.

### Establishing core focuses

When starting out or deciding to maintain a smaller team despite scope expansion, it helps to develop secondary focus areas in conjunction with core project work. Research projects, teaching activities, or other extra-curriculars can bring dimension to a practice's overall offering.

## Practice size: 10-50

### Avoiding siloed thinking

When expanding, a practice often cannot maintain efficient work-streams without separating management functions.

However, collaboration and idea exchange should be nurtured – interdisciplinarity across teams can improve functionality, avoiding single discipline or silo mentalities.

### Critical management mass

Maintaining a broad view of workload and project quality requires active overseeing strategies as firms grow. This means having regular meetings with all project managers, reporting on current project status, project controlling, hours spent, project difficulties and successes.

## Practice size: 50+

### Bolstering technical acumen

Research and Development, BIM and sustainable design merit their own departments once a practice grows to a large enough scale. This in turn provides additional value to clients, stands to increase project quality, and presents services often sought by foreign partners.

### Running a tight management ship

The challenge of managing personnel sees a step change once a practice reaches a large team size. One senior manager should ideally not be responsible for more than a dozen people. Non-architectural work such as finance, PR and business development should take on dedicated management.



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Architects: XX  
Photo: XX



## Chapter 05

# Internationalisation & Future Growth


# 5

The major discussion point of this study was growth through internationalisation. The effort and scale of investment required to export internationally was noted as considerable across all practice sizes. Therefore the importance of having a clear and legitimate reason to seek work abroad – such as a key personnel wanting to migrate, or a foreign partner approaching the practice to collaborate – was stressed.

Yet along with investment, interviewees cited many rewards linked to international expansion. These included the boosting of team morale and confidence. A key consideration was the scarcity of external resource or financial support that exists for European practices to access as they look to grow. Yet once the hurdle of winning work abroad is overcome, benefits of security, clarity, and reliability of project development across different countries is a worthy enough reason alone to pursue exportation.

A central theme was the need for practices to acknowledge the local knowledge and idiosyncrasies of their intended market. The prospect of internationalisation demands an ability to adapt to local regulations. Understanding and respecting varying rules and procedures is key to success – not just in terms of technical standards, but also with regards respecting local practices and licensing requirements that shape how projects are realised. This in parallel with a commitment to gauging cultural and communication nuances, was deemed

**“One of the biggest lessons we’ve learned is how important it is to adapt to the local way of communicating. Each place has its own culture and approach, and understanding these nuances has been essential for building strong, lasting partnerships.”**

– Estudio Entresitio, Spain.

# Key observations and guidance

42

## Practice size: 0-10

### Exporting specialisation

Small practices can export services to foreign partners on projects that are handled locally, particularly if they develop unique expertise on sustainable design, low carbon practice and other specialist areas. This is most relevant where there is unfamiliarity with local procedures.

### Negotiating what is shared

Transparency in international collaboration is essential, with all parties defining operational procedures, financial terms, and responsibilities clearly from the outset. International collaborations are based largely on trust, sharing decisions, benefits, and ensuring that partnerships are fair and balanced.

## Practice size: 10-50

### Deliberating subsidiary set-ups

Many practices exporting abroad are faced with the choice to set up remote subsidiaries. Some have found that alternatives such as opening a secondary office in another country may be enough, as may the presence of satellite teams able to relocate to project sites on a temporary basis. Subsidiaries are recommended only when it makes economic and operational sense, and only on condition that when set up in foreign markets they keep strong ties to local headquarters. Subsidiaries may be deemed necessary when mandated for legal purposes, or to meet compliance with registration requirements.

## Practice size: 50+

### Having a local presence

With larger practices, the ability to deploy larger teams (10-15 people) to international sites provides increased flexibility and security. This allows individual teams to be operating in the various locations site works needed to be managed.

### Securing remote licensing

Cooperation across borders is sometimes useful purely for legal warranting or licensing or projects.

### Diversification

As practices grow, the risk of relying on a single sector increases: Having more than one area of expertise guarantees more stability and less susceptibility to market changes.



Cover Image: Jonas' Residential Building,  
Amsterdam, The Netherlands  
Architects: Orange Architects  
Photo: Sebastian van Damme





## Conclusion

### STRATEGIC VERSUS ORGANIC GROWTH

Many of the interviewees in this study testified to the importance of seizing opportunities, being open to opportunistic contracts, and the promise of relationship building and what it could yield in the form of organic growth. The success that can be derived from taking up a project or foreign endeavour by chance is considerable, and therefore the two routes to growth – strategic and opportunistic – are both important.

Along any route to expansion, practices should remain nimble and attuned to their network. Although the benefits of strategic goals and market research are inarguable, there are times when practice leaders should rely on instinct, take the lucrative contract that comes their way, and weigh up the opportunity cost and potential outcomes on a case-by-case basis.

In any scenario, however, practices must consider team readiness, organisational structure, and the strength of effective communication. Strategic growth does not preclude taking hold of opportunities as and when they arise – the two routes to expansion, in the best case scenario, should be mutually reinforcing.

## Starter questions for strategic growth:

### PURPOSE AND VISION:

What is your primary motivation for growth; does it align with long-term vision and values?

### STRATEGIC GOALS:

Do you have a clear strategic outlining growth objectives and milestones?

### RESOURCE ASSESSMENT:

Do you have the financial, human and technical resources needed to support growth sustainably?

### MARKET RESEARCH:

Have you thoroughly researched markets or sectors you aim to penetrate, including potential clients and competitors?

### RISK MANAGEMENT:

What risks are associated with your growth strategy, and what mitigation plans are in place?

### ORGANISATIONAL STRUCTURE:

Is your current organisational structure capable of scaling, or do you need to introduce formal roles and processes?

### TEAM READINESS:

Do you have the skills and expertise in-house to support growth, or will you need additional training or recruitment?

### COMMUNICATION FRAMEWORK:

How will you maintain effective communication as you grow?

### OPERATIONAL EFFICIENCY:

Are your tools and processes standardised and scalable to handle increased workload and complexity?

### INTERNATIONAL EXPANSION:

Have you identified local partners and understood regulatory requirements?

### FINANCIAL PLANNING:

What financial benchmarks will you use to measure growth strategy success?

### SUSTAINABILITY:

How will you ensure growth is environmentally and socially sustainable, aligning with global and local standards?





## Conclusion

### KEY RECOMMENDATIONS AND CONSIDERATIONS

There is no one-size-fits-all answer to the question around whether to, and how, to grow an architectural practice. As such, the question of growth itself as a measure of value is one that demands re-evaluation in the face of ever-changing contextual forces. Staying small as opposed to growing can also yield benefits – data shows that smaller outfits also yield benefits – data shows that smaller outfits can have advantages in efficiency and financial performance indicators.

This primer study has shown that growth can be a critical journey to building a practice's sense of purpose and reflexive ambition, but it is also a complex one. Growth and exportation are invariably influenced by firm size, market dynamics, and divergent leadership decisions. For smaller firms, remaining competitive in many architectural sectors necessitates expansion. However, scaling up requires careful planning, including investments in organisational structure, communication, and technical expertise. Almost all larger successful architectural offices interviewed for this study stated that their businesses are well structured.

The key recommendations from this study's nine core interviews highlight the importance of adaptability and proactive management when looking to grow an architectural business. Practices must recognise the moment at which they should steward a transition from informal, founder-led outfits to more formalised structures. This includes budgeting for both team and technical enhancements – growing ancillary or support departments, and adopting standardised software tools to ensure operational efficiency. In all interviewees' testimonies, the importance of effective communication was stressed, with diverse systems of collaboration and organisational structures cited. Ultimately, all businesses and teams are unique, working on individual projects within specific contexts with particular histories. Understanding what is right for a given practice is a distinctive and broadly unrepeatable venture.

The importance of building long-term, resilient strategies for growth tied strongly to diversification – the encouragement around casting a wide net on sector variety, project types, phases, and clientele. For practices considering international expansion, the necessity of local partnerships, regulatory compliance, and cultural adaptability are central to any forward-looking exportation plan.

Finally, the study underscored the importance of enacting a constant balancing act between the operational and administrative demands of expansion, with maintaining architectural quality. While growth presents challenges, it can also invite unparalleled opportunities for innovation, market presence, and professional development.



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