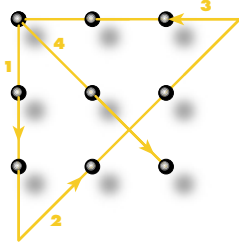## Marketplace Research

Coming Together on Reintermediation

In the past few months, we have talked about the trend of disintermediation (the bypassing of established channels and middlemen) and its retrend of reintermediation (the bringing together of people and kn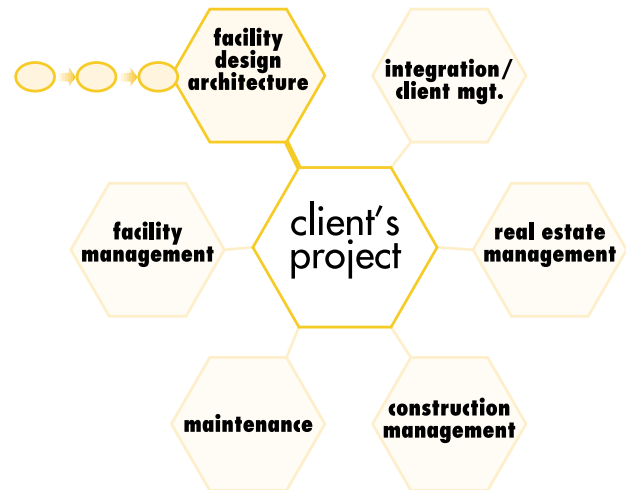owledge) in the business and finance world. Last month, we showed you some ways an architecture firm could incorporate broad characteristics of reintermediation, should it choose to shift from practicing architecture (buildings) to ARCHITECTURE (the overarching framework integrating the creative design process in which architecture is performed) in the new millennium.

This month, let's delve a little deeper into the aspects of reintermediation, particularly how it relates to connections of knowledge and bringing people together. As always, we invite you to email your comments to rhobbs@aia.org.

—Richard W. Hobbs, FAIA
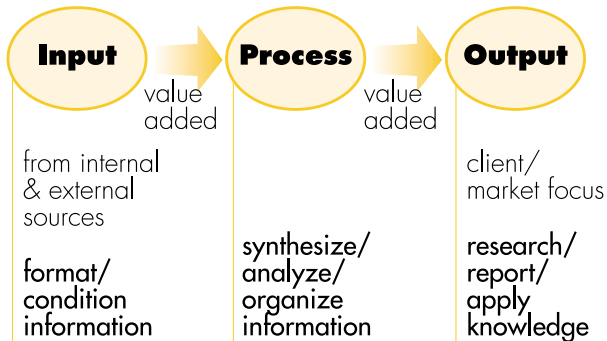*Resident Fellow,*
Marketplace Trends

Where are we going?

When architects provide service beyond products (i.e., beyond buildings), they need to bring together people with a wide range of knowledge *plus* provide the skills by which to navigate what, by necessity, is a multidisciplined process. For architects, this is the heart of what reintermediation is all about.

Harvard Business School's Gary Hamel, through studying hundreds of organizations, has identified the following trends associated with today's successful businesses:

- From fragmented to consolidated; from scattered to focused
- Deverticalization: from something at every level to one specialized slice
- Convergence: figuring out who really is doing what
- Individuality: from mass market to personal customization
- Experience: from selling a product to selling an experience
- Disintermediation/reintermediation: from segmentation to integration.

For architects, *all* these trends point to reintermediation, that is, the integration of knowledge and the client's business strategy with the holistic design process.

The collaborative coefficient

The ability to connect quickly and meaningfully with business partners and clients, and to improve the delivery and quality of services, are now imperatives for firms to compete successfully, states Dale Kutnick, CEO and co-research director of the META Group. He tells us that for many firms, cor-

Collective Intelligence/Knowledge Management System

Input		Process		Output
	value added		value added	
from internal & external sources				client/ market focus
format/ condition information		synthesize/ analyze/ organize information		research/ report/ apply knowledge

Marketplace Research

Coming Together on Reintermediation

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porate culture has been a major roadblock to competition, in part because "immature" information technology has confined the communications feedback loop to within the firm itself. In other words, communication that stays within the firm's borders does not allow for the deeper relationships that

will be key to a broader-based ARCHITECTURE, and to practice that focuses on the client's strategic goals.

In the future, firms will be judged by how effectively they can apply their knowledge to fostering collaboration among members of a team to provide client service. Thus, there will be a "devolving" process as firms move from self-contained, vertically integrated organizations to more virtual entities, which—along with a network of partners—create what Kutnick terms "the collaborative coefficient," the ability of an enterprise to connect with other enterprises.

This type of "externalization" of the firm rapidly is becoming a support for reintermediation. Externalization is expedited by globalization of the marketplace, which uses expanding technology to eliminate boundaries. The very meanings of time and space as we know them are being redefined, and the client is being empowered like never before. The question each architect must ponder is: Does consulting, architecture, or ARCHITECTURE best support clients in the manner to which they would like to become accustomed? (Check out the Arthur Andersen Web site, *www.arthur andersen.com*, to see how this firm is ready to help its clients find new ways to manage and measure value in the rapidly changing world.)

Design with—not for—people

John Thackara, director of the Netherlands Design Institute, notes the current acceleration of the profound transformation in the economy from products to services. He says that the design world traditionally has been stuck in an out-of-date obsession with objects at the expense of the process and services. However, designers and architects under the age of 35 are now becoming comfortable in dealing with service design and future scenarios. It is the norm for them to work in multidisciplinary groups and to take leading roles in new-generation companies that don't design just projects, but also create new business concepts or whole new industries.

The future is about design *with*, not design *for*, people. It means making users the subject—not the object—of innovation; to move from a focus on results to a focus on contexts that enable results.

Every new technology and economic transformation replaces old skills with new ones, so architecture through the ages has had to reinvent itself again and again. We are looking forward to a transformed generation of architects who practice an integrated ARCHITECTURE. Thackara, looking to 2028 (probably a little further out than the rest of us), observes that for architects, design and context will become indivisible. Our main output will be ideas, knowledge processes, and relationships—rather than products. Architects will help people identify the questions most important to determining their needs and assemble the mix of people and knowledge required to deliver the answers. In other words, architects will have the sensitivity and flair to connect questions to people with answers in a productive way.

Coming Together on Reintermediation
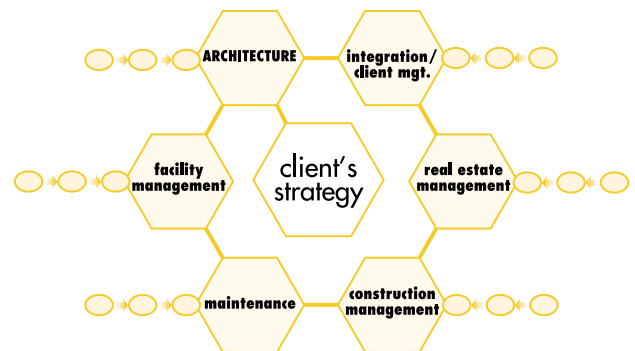
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Coordination theory

The transition to knowledge-rich, collaborative, context-based design will be the driving force as we learn about collaborative innovation—as we "think and do" together. In the future, the most interesting design processes will be those that architects carry out in real communities for real businesses—they will bring coordination theory and knowledge management to life. In true entrepreneurial spirit, the architect's most important skill in this work will be bringing people together to model the issues, rather than to "rehearse" the future through pat answers.

Think tanks will no longer be enough; the future is about "think and do" tanks. Within this context, ARCHITECTURE is about:

- Networking
- Connection
- Facilitation
- Knowledge
- Entrepreneurship.

Here is our immediate future: in 2001, the AIA's Marketplace Trends will explore knowledge management and collective intelligence on aging, education, community, technology, organizational strategies, and service delivery. Stay tuned.

"Emerging Trends," a new feature of aecdirect.com, *will use resources from the 2000* WRG Newsletter, *by the Wallace Research Group, to give architects ideas about using technology to retrofit existing buildings, integrating the workplace to increase productivity, the design revolution in the office, and the virtual organization workplace. Look for "Emerging Trends,"* www.aecdirect.com, *or in* AIA This Week, *the Institute's weekly electronic newsletter.*