



August 9, 2002

Dear Colleague:

From time to time I have taken the opportunity to share what strike me as benchmark moments in the life of The American Institute of Architects (AIA). Last May a year ago I wrote to you about what we were doing to restore the Institute's financial health. In the months since, our progress toward that goal has exceeded our projections, so much so that we are today in a position to make a series of strategic decisions that I believe will result in a more innovative, focused, and effective AIA working on behalf of our members' success. This is the good news conveyed by this letter.

But before spelling out the details, it is appropriate first to thank those responsible for moving us beyond the challenges of a year ago to the opportunities within our reach today. Chief among these is the AIA Board of Directors, which in March 2001 approved a tough but realistic three-year plan to restore the AIA's financial health. Their clear vision and consistent support, reinforced by the AIA Finance Committee, provided the leadership that has brought us to the point where today we anticipate year-end total net assets of approximately \$3.5 million, well above the \$2.5 million financial goal, and it is achieved a full year ahead of the plan.

Our success was also built on the hard work of the AIA's dedicated national component staff. I cannot overstate their contribution under what I can only characterize as difficult circumstances. Keep in mind that less than 10 years ago, the staff here numbered well above 200. Currently, we are operating with 132 employees at a time when the AIA's membership is at record levels. Their ability and willingness to faithfully carry out their many tasks on behalf of our members made me determined that when the opportunity arose to provide the resources to empower them to excel, I would do whatever I could to make it so.

I am delighted to say that time has come--a time that must be recognized as a turning point for the Institute, enabling attainment of far greater value for our members. The first step on our way to a more effective and innovative AIA begins with realigning portions of our operation. Under the new alignment, the programmatic teams of the national component staff will be organized into three groups: Knowledge, Communications, and Relationships. This need for change has been contemplated for some time, but now that, we are in a better position to begin to match resources with needs, expeditious implementation is called for to gain its full value during the strategic planning cycle for 2003 and beyond.

There were many factors that guided this new alignment, but three stand out. An overwhelming number of the participants in this spring's National Conversation identified knowledge generation and access as key needs. At the same time, here at the national component, we retained the services of an outside consultant to assess through a series of confidential interviews such matters as staff working relationships and morale as well as the resources they felt are needed to do their best work. Then, during the recent commencement of strategic planning for 2003, a number of issues surfaced that tended to confirm and expand on what we were learning from the National Conversation and staff interviews.

The convergence of these three events makes it clear that now more than ever we need to work together to generate knowledge and information that is comprehensive, readily enhanced, and easily accessible. We need to be effective advocates for and communicators about our profession, leveraging our knowledge wherever possible. And we must also maintain strong relationships throughout the building industry and society at large. In fact we must be leaders in these arenas to demonstrate and support the larger roles that many AIA members seek to play.

I have several goals for this new alignment. Chief among them is to give our staff the focus, direction, and, pending approval of the 2003 operating budget by the AIA Board, the resources they need to fully unleash their potential and commitment to member service. I want them to have new opportunities to excel and to earn appropriate recognition for their efforts on behalf of the Institute and the profession.

In addition, I want to better deploy and strengthen the accountability of the Institute's demonstrated management talent, tighten our focus on the needs of our members and other constituencies, facilitate reporting and feedback, and, in general, improve our potential to achieve success.

Our new groups--Knowledge, Communications, and Relationships--will be directed by team vice presidents whose experience and skills equip them to be leaders of these functions. Attached is a description of their responsibilities, the teams with which they will relate, and who they are.

The team vice presidents will be supported by our very capable managing directors, including those who provide shared services (i.e., Human Resources, Information Technology, General Counsel, and Finance/Administration, along with the Executive Office). Reflecting the high priority assigned to our Contract Documents initiatives, this function will also relate directly to the Executive Office and will be led by a managing director whom I expect to appoint soon.

The three team vice presidents will report to James Dinegar, the AIA chief operating officer. Since they will assume administrative responsibilities for their teams, the scope of Jim's role will be enhanced. He will be in a better position to provide leadership guidance and mobilize resources, as needed, in a more effective and efficient way than our previous staffing structure enabled him to do. Since he will have about half as many people reporting directly to him as do now, he will be able to invest more time and attention in ensuring that our organization is innovative and effective in all we do to make the AIA's strategic vision a reality.

With others taking on more responsibility for day-to-day Institute operations, I anticipate that I will have more time to devote to strategic concerns such as making the national component a better partner to state and local components, representing the profession to the industry and marketplace, and becoming a greater resource to the AIA Board as we seek to optimize our efficiency in AIA governance.

The true effectiveness and worth of any organizational structure becomes evident only over time, and with much hard work. Therefore, as we monitor our progress into the future, we will share information with you regarding the activities, achievements, challenges, and opportunities of our new groups. I encourage you to inform us of your questions, share your suggestions, and, I hope, demonstrate your support for this strategic realignment.

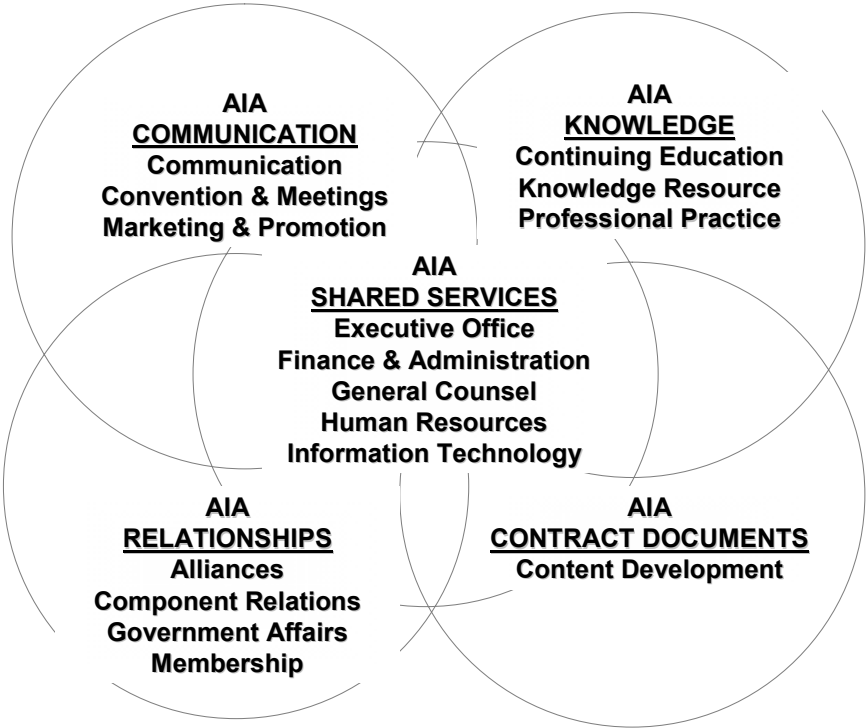
Our management team and all of us at the national component of the Institute appreciate the help and encouragement that have brought us to this day. We are proud of the progress made together, and excited about the prospect of a stronger, more effective AIA and a profession equipped for success.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Norman L. Koonce". The signature is fluid and cursive, with a long horizontal stroke at the end.

Norman L. Koonce, FAIA
Executive Vice President/CEO

**SCHEMATIC REPRESENTATION OF GROUP AND TEAM RELATIONSHIPS
CREATED THROUGH STRATEGIC REALIGNMENT**



AREAS OF INTERACTION BETWEEN GROUPS AND EXECUTIVE OFFICE

	COMMUNICATION Team VP Hamlin	KNOWLEDGE Team VP Sido	RELATIONSHIPS Team VP Dreiling	CONTRACT DOCS Managing Dir. (TBD)
SHARED SERVICES				
CEO Koonce (Strategy)	•	•	•	•
COO Dinegar (Operations)	•	•	•	•
CFO James (Financial)	•	•	•	•
GC Stephens (Legal)	•	•	•	•
M.D. Viehmyer (HR)	•	•	•	•
M.D. O'Neal (IT)	•	•	•	•
	Communication Convention & Meetings Marketing & Promotions	Continuing Education Knowledge Resources Professional Practice	Alliances Component Relations Government Affairs Membership	Content Development