GLOBALISATION AS A BUSINESS STRATEGY FOR SOUTH AFRICAN ARCHITECTURAL PRACTICES

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DECLARATION

I, Christo Vosloo hereby declare that:

1. The work in this research paper is my own original work.
2. All sources used or referred to have been documented and recognised.
3. This research paper has not been previously submitted in full or partial fulfilment of the requirements of an equivalent or higher qualification at another recognised Educational Institution.

Signed: ...................................  Date:....................................
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<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADSL</td>
<td>Asynchronous Digital Subscriber Line</td>
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<tr>
<td>CAA</td>
<td>Commonwealth Association of Architects</td>
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<tr>
<td>CAD</td>
<td>Computer Aided Draughting</td>
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<tr>
<td>CBE</td>
<td>Council for the Built Environment</td>
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<tr>
<td>CHE</td>
<td>Council of Higher Education</td>
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<td>CIAM</td>
<td>Congrès Internationaux d’Architecture Moderne</td>
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<tr>
<td>CSIR</td>
<td>Council for Scientific and Industrial Research</td>
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<tr>
<td>FTP</td>
<td>File Transfer Protocol</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>ISDN</td>
<td>Integrated Services Digital Network</td>
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<tr>
<td>RIBA</td>
<td>Royal Institute of British Architects</td>
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<tr>
<td>SACAP</td>
<td>South African Council for the Architectural Profession</td>
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<tr>
<td>SAIA</td>
<td>South African Institute of Architects</td>
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<tr>
<td>UIA</td>
<td>Union of International Architects</td>
</tr>
<tr>
<td>VSAT</td>
<td>Very Small Aperture Terminal</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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ABSTRACT

Globalisation has become a common topic of discussion and research. This treatise focuses on its role as part of the business of Architectural practice. It investigates the reasons why selected South African Architectural practices decided to globalise, how this decision was reached, implemented and how successful the decisions were.

Based on the findings of a literature study it uses the case study methodology to confirm the findings that the strategic position of South African Architectural practices is one where practical and historical reasons exist for the profession to embark on a globalisation strategy. The studies confirm that a globalisation strategy presents a suitable, feasible and acceptable strategy for South African Architectural practices. However, a disconcerting element of the findings was the fact that there are strong indications that South African Architectural practices do not realise the potential benefits inherent in regular strategic planning.

Thus it recommends that such a strategy should be based on specialist knowledge or experience, that opening an office in the area to which firms wish to expand will greatly enhance the chances of success, that formal strategic planning processes should be used to ensure that such a strategy is an appropriate one and to identify the countries to which the firm plans to expand its services.
Furthermore, it recommends that Government should recognise that firms expanding in this manner hold specific advantages for the national economy and introduce steps to support the profession so that it may build the capacity and skills required therefore. In addition it recommends that the relevant professional bodies should ensure that their members have the business and managerial skills required to ensure the achievement of these objectives.
CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION AND PROBLEM STATEMENT

A shift of major importance is occurring in the world economy. The world economy is moving away from relatively self-contained national economies which are, separated from each other not only by geographic features and distance, but also by political systems, time zones, language, differences in regulation, ways of doing, culture, technology and trade barriers. Presently, the world economy is moving to a world where barriers to cross-border trade and investment are diminishing; free market economic systems and democracy are becoming the norm and our notions of distance are changing due to advances in telecommunications and transport technology. In addition material culture is homogenising the world over and national economies are merging into regional economies and trading blocks (Hill, 2003: 4). This process is broadly referred to as globalisation.

Globalisation is one of the most controversial issues of the day. The World Bank Group (2000: 1) holds that evidence of this phenomenon can be found everywhere in public discourse; from slogans on placards, the Internet, journals, parliaments, corporate boardrooms, university lecture halls and labour meeting halls. Extreme opponents at one end of the debate consider it to be responsible for impoverishing the poor and underdeveloped for the benefit of the rich. Another concern often raised is the devastation of the environment. On the other hand proponents and
supporters expound it as a high elevator to universal peace and prosperity, a vehicle for the expansion of human rights and democracy (World Bank Group, 2000: 1) and for technological exchange (Globalisation Guide, Undated: 1). Kellner (undated: 1) argues that the interpretations of globalisation, the purposes for which the concept is used, and the evaluations of the processes in terms of the concept vary significantly. He continues by stating that for some, globalisation entails the ‘westernisation’ of the world, while others see it as a cover for the ascendancy of capitalism. From a cultural perspective, he points to the difference of opinion between those who regard globalisation as generating increasing homogeneity and those who see it producing diversity and heterogeneity through increased hybridisation.

Others, such as Amour (1999: 1) say that globalisation has left governments less powerful and threatens cultures with homogenisation. For businesses, globalisation has increased the opportunities to expand its revenues by selling around the world and reducing costs by producing in locations or nations where key inputs such as labour and materials are relatively cheap (Hill, 2003: 5). Furthermore, according to the International Monetary Fund (IMF), advanced economies can make a contribution to the efforts of under-developed countries to integrate into the global economy and provide jobs for the residents of the ‘low-cost’ location (2000: 8).

From the above it becomes clear that globalisation can hold both benefits and threats for cultures, countries, and their economies and by implication for sectors of
those economies, including the various professions that constitute the professional sector. Architecture is one such profession.

While definitions for Architecture abound, it is widely regarded as "the art and science of managing the creation and conservation of the built environment" (University of Port Elizabeth, undated: 2). Thus globalisation will affect not only the business of Architects but also the environment within which they will be creating, and the pressures exerted on that environment, the conservation of which falls within their sphere of operation.

This leads to the following problem statement:

This study will investigate the reasons why selected South African Architectural practices decided, via virtual relationships, to globalise, how this decision was reached, implemented and how successful the decisions were.

1.2 SUB-PROBLEMS

In developing a research strategy to deal with and solve the main problem, the following sub-problems have been identified:

a. Do historical and practical reasons exist for South African Architectural practices to consider a globalisation strategy?

b. What were the processes and indicators that lead those firms to do so?
a. Has globalisation proven to be a successful strategy for Architectural practices (refer to 1.4.5)?

1.3 RESEARCH OBJECTIVES AND HYPOTHESIS

1.3.1 General goal
To determine the strategic position of South African Architectural practices, the reasons and processes that led selected Architectural practices to come to the decision to globalise, to investigate how these decisions were implemented, how global practices operate and how profitable the decisions have proven to be.

1.3.2 Objectives
The achievement of the general goal will be facilitated by the following secondary research objectives:

a. To uncover the strategic position of South African Architectural practices.
b. To investigate the opportunities that exist for South African Architectural Practices to globalise.
c. To uncover the reasons and processes that led selected Architectural practices to decide to globalise.
d. To investigate how selected Architectural practices introduced this strategy.
e. To evaluate how successful the strategy has proven to be.

1.3.2 Hypothesis
In order to provide a core for the argument the following hypothesis will be tested:
The histories of South African Architecture and international trade are intertwined. Therefore a globalisation strategy is a natural development that offers a profitable opportunity for Architectural practices and that those firms that can be regarded as the ‘first movers’ have achieved this advantage by implementing strategic planning processes and subsequently gained significantly from it.

1.4 DEFINITION OF TERMS AND CONCEPTS

1.4.1 Architecture

Definitions for Architecture abound. Most, such as those proposed by the University of Port Elizabeth (undated: 2), Merriam-Webster's Online Dictionary (2004), Cambridge International Dictionary of English (2004) and others, agree that Architecture is both an "art and a science dealing with the creation and conservation of the built environment". However, few make reference to the practice of Architecture also being a business as stated by Gallager (2004:110), Makin and Masojada (2004: 104), Kubany and Linn (1999a: 110 and 1999b: 61), Royal Barry Wills and Morris Lapidus (cited by Kubany and Linn, 1999a: 110-112). Thus, this dissertation will accept the following definition for Architecture: The art, science and business of the creation and conservation of the built environment.
1.4.2 Continuing globalisation

Hill (2003: 6) defines globalisation as "...the shift towards a more integrated and interdependent world economy". He holds that globalisation has two main components namely the globalisation of markets and the globalisation of production.

The IMF regards globalisation as a historical process, the result of human innovation and technological progress (IMF, 2000: 2). They define globalisation as "...the increasing integration of economies around the world, particularly through trade and financial flow". Furthermore, they contend that the term sometimes also refers to the movement of people and knowledge across international borders and that there are also broader cultural, political and environmental dimensions associated with this development. From this it is clear that Hill’s definition views it primarily as an economic issue and as such, is too narrow for the purposes of this investigation.

The sociologist, Anthony Giddens (cited in Globalisation Guide, undated: 1) defines globalisation as a decoupling of space and time. Thereby, he emphasises that with instantaneous communications, knowledge and culture can be shared around the world simultaneously. Lubbers (cited in Globalisation Guide, undated: 1) defines it as "...a process in which geographic distance becomes a factor of diminishing importance in the establishment and maintenance of cross border economic, political and social-cultural dimensions". Globalisation Guide (undated: 1) enlarges on this definition adds that knowledge includes technology. In terms of this
investigation, this is an aspect of considerable importance in the light of Theodore Levitt's contention that "A powerful force drives the world toward a converging commonality, and that force is technology" (1983: 92-102). He sees that this phenomenon is resulting in a convergence of tastes.

From the foregoing it is clear that the definitions offered for globalisation are divergent in nature. The World Bank Group concurs with this conclusion by stating that "there does not appear to be any precise, widely agreed to definition" (2000: 1). Thus, this investigation will use the following definition: *Globalisation is the increasing integration of the economies, cultures, politics, knowledge and technologies of the different countries of the world as part of a process in which geographic distance is of diminishing importance.*

1.4.3 Architectural practice

Architectural practice refers to a firm performing architectural work, operated for financial profit by registered Architects or Architectural Technologists.

1.4.4 Strategic decisions

Johnson and Scholes (2002: 4) regard strategic decisions as decisions that are:

a. Concerned with the long-tem direction of an organisation.

b. About trying to achieve some advantage over competitors for the organisation.

c. Likely to be concerned with the scope of activities of the organisation.
d. An attempt to match the resources and activities of an organisation to the environment in which it operates.

e. A process of ‘building on’ or ‘stretching’ an organisation’s resources or competences to create new opportunities for itself or to capitalise on them.

f. Likely to affect operational decisions.

1.4.5 Success criteria for strategies

Johnson and Scholes (2002: 384) convey that there are three main criteria that can be used to determine why some strategies have a better chance to succeed than others. These are:

a. Suitability: The extent to which a strategy addresses the specific circumstances in which a particular organisation is operating. This is also referred to as the organisation’s strategic position and concerns how a strategy might stretch and exploit the organisation’s core competencies.

b. Acceptability: The degree to which a strategy will provide the organisation with the expected outcomes and whether this would match expectations.

c. Feasibility: The extent to which a strategy can be made to work in practice.

Thus for a global strategy to be a successful strategy for an Architectural practice, it will have to measured against these criteria.

1.4.6 Globalisation strategy

A globalisation strategy, in essence, is a market development and extension strategy whereby existing products or services are introduced to new markets,
located in foreign countries (Johnson and Scholes, 2002: 370). According to these authors, such a strategy can be driven both by resource and market considerations. However, as indicated previously, it is not only products but also services that can be introduced into new markets and that it could also refer to the relocation of production facilities to areas where production costs are lower.

Thus it will be regarded that *a globalisation strategy essentially is a market development strategy where existing products or services are offered in new markets, and/or are manufactured in different countries, in order to increase efficiency, competitive ability and profitability.*

1.4.7 Virtual organisations

The use of the term 'virtual organisation' varies greatly. Byrne (cited in Ott & Nastansky, undated: 2) holds that "...the virtual organisation is a temporary network of independent companies ... linked by information technology to share skills, cost and access to one another's markets". While many authors on the subject such as TekPlus (2002: 2) and Franke (undated: 50) include the inter-organisational aspect as part of their definitions, some such as Travica (1997: 2) and Warner (2001: 1) dispute the need for the involvement of more than one organisation. Similarly some authors such as Wassenaar (cited by Su et al, undated: 1) emphasise the temporal nature of this type of organisation while some, such as Whitlam (undated: 1), Travica (1997: 2) and Warner (2001:1) do not regard this as a prerequisite.
The author agrees with this view and subscribes to the definitions proposed by Travica (1997: 2) that “virtual organisation” refers to a temporary or permanent collection of geographically dispersed individuals, groups, organisational units, which do, or do not, belong to the same organisation, or entire organisations that depend on electronic linking in order to complete the production process”.

1.5 LITERATURE OVERVIEW

As revealed by the previous sections of this proposal, globalisation is a topic that has been, and continues to be, debated from various platforms and in a variety of books, websites, the popular press, journals, etc.

Knox and Taylor (2004: 1) point out that Architectural practices have for many years had international involvement and a cosmopolitan outlook and theoretical position. According to them, even before the Second World War, some of the leading practitioners such as Albert Kahn and Le Corbusier accepted commissions in countries other than their own. It was reinforced by leading Architects such as Philip Johnson and Henry Russell Hitchcock and their promotion of the construct of an ‘International Style’, by the publication of the Athens Charter, the resolution of the Congrès Internatioaux d’ Architecture Moderne (CIAM) and also, before them by the colonial practices of the British, French and Italian Governments and various Architectural Practices (Knox and Taylor, 2004:1).
Similarly, the effects of globalisation on Architecture have for a long while been, and continue, as a topic of discourse at various conferences such as the Commonwealth Association of Architects (CAA) Triennial Conference held in August 2003. A restricted number of academic journals have carried articles on this topic. These include those by Llewellyn Van Wyk (2000: 10; 2001a: 17; 2001b: 7), Ehrentaut (1995: 215-236) and others. The Popular Press also carried reports such as the one by Lewis (2002: 6-9) dealing with this issue. Research institutions such as the University of Texas (Nityananda, 1998: 1-7) have research programmes dealing with the issue. However, the discourse has mostly focused on the effect this development will have on the design of buildings, while the business and its influence on the practice of Architecture received scant attention.

Notable exceptions are Knox and Milfeit (2003: 1-3) who report that many Architectural practices, with the aid of digital and telecommunications technologies and at the insistence of advanced international business services, have ‘globalised’. Furthermore, according to them and as indicated previously, this development was a result of the emergence of clients with transnational operations and a global outlook. They continue that the economic logic of globalisation dictates that an international outlook, a global strategy and an international clientele, eventually must evolve into an international market presence, with global office networks serving an increasingly complex global market. Knox and Taylor (2004: 2) hold that the economic logic of globalisation translated into a global strategy for Architects, saw two distinct developments: Firstly many first-world firms began to take advantage of the potential associated with the outsourcing of
production drawings to countries where this could be done at lower rates, most notably India and the Pacific Rim. Secondly, their International clientele lead them to establish global office networks to serve an increasingly complex and competitive market.

Phillip Harper (2003: 1) cites estimates by the United States Department of Labour and Forester Research Incorporated that by 2000 the United States had already lost 3498 jobs in Architecture due to firms moving production offshore. They add that by 2005, 32 302 jobs will be lost while by 2015 this figure will have risen to 184 347. These findings seem to support the prominent American Architectural practitioner Frank Stasiowski's (Kolleeny and Linn, 2002: 95) contention that, in the future, Architectural practices should not rely on the traditional subcontracting model. According to Kolleeny and Linn (2002: 96) he held that the emphasis will shift to a fluid organisation of consultants and/or project specialists who come together in targeted project teams. Furthermore, he saw a future where Architects will outsource more and more of their contract documents to production houses overseas and where many offices will be virtual ones. "Firms may have a storefront, but a physical desk for employees will be neither necessary nor desirable".

Llewellyn van Wyk, past-President of the South African Institute of Architects, in reporting on the activities of that Institute, relayed that they were exploring opportunities for their members to participate in the global market (Van Wyk, 2001b: 7). This follows his earlier report that "that the profession of architecture is
[sic] currently embarked on a process of establishing these minimum standards globally in order that the professionals practicing architecture may be able to trade their services internationally” (Van Wyk, 2001a: 17).

Clearly therefore, the globalisation of Architectural practice is a reality and one that, as will be shown, holds tremendous opportunities for South African Architectural practices. The challenge then is for more South African Architectural practices to break into this market.

1.6. RESEARCH METHODOLOGY

It is Yin’s contention (2002: 13-14) that a case study is an empirical inquiry that:

a. “Investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not really evident”.

b. “Copes with a technically distinctive situation in which there will be many more variables of interest than data points”. Thus, as a result the investigation “relies on multiple sources of evidence, with data needing to converge in a triangulating fashion”. Similarly, it “benefits from the prior development of theoretical propositions to guide data collection and analysis”.

The nature of the problem to be investigated falls in this category. Therefore the primary research methodology to be employed is case study research.
The case study investigations will be based on a literature study undertaken in order to develop and explain theoretical prepositions and to assist with the analysis and interpretation of the results of the study.

1.7 DELIMITATION OF THE RESEARCH

The research will be limited to the following:

a. Geographical area

The research will be limited to Architectural practices that have their main theatre of operation within the Republic of South Africa. This is because the Architectural business environment and the economic conditions under which they operate differ from those in most parts of the rest of the world.

b. Type of practice

The research will be limited to the role of a global outlook on South African Architecture and the appropriate responses for independent practices under the proprietorship of registered Architects and Senior Architectural Technologists only.

c. Practices selected

The investigation will be limited to three Architectural practices selected on the basis of their commonly known involvement in offshore work.
Due to the limitations inherent in the scope of an investigation of this nature, the investigation will merely report on the ongoing discourse about the desirability of globalisation as a general phenomenon and as a phenomenon in the sphere of culture and Architectural design in particular. The study will show that the histories of South African Architecture and international trade are intertwined and that a decision to globalise therefore can be regarded as a natural consequence of history. Thus, the investigation will restrict itself to the effect this phenomenon has had on the practice of Architecture without engaging in any meaningful way with the influence it has had on Architectural theory or design.

1.8 BASIC ASSUMPTIONS

The research will accept the following basic assumptions:

a. Globalisation as a phenomenon will continue despite evidence that it may indeed be rolled back and that alternatives thereto do exist (Globalisation Guide, Undated: 3).

b. Architectural practitioners are interested in leveraging the opportunities offered by globalisation.

1.9 PREVIOUS RESEARCH

While a fair amount has been written on the subject, the globalisation of Architectural services, as a business strategy is an area that, thus far, has not
been the subject of notable academic investigations. The major investigations undertaken were Tombesi, Dave and Scrive's article titled "Routine production or symbolic analysis? India and the globalisation of architectural services" (2003: 87), Paolo Tombesi's "Architectural feasts or professional Faust's?" (2004:48), the work of the Globalisation and World Cities Study group and Network (Knox and Taylor, 2004: 1-18) and Rob Young-Pugh from the Department of Architectural Technology at the Cape Technikon's article entitled "Architectural practice and education in South Africa: From local transformation to global participation" (2004: 1). However, this article is yet to be accepted for publication.

To date no research into the process that lead Architectural practices to adopt such a strategy, how the decision was implemented and how successful the strategy had proven to be has been undertaken.

1.10 CHAPTER OUTLINE

1.10.1 Chapter 1: Introduction

The introductory Chapter described the problem to be investigated, how the investigation will be conducted and the hypothesis that will be tested. Furthermore, it has defined certain terms used and set the limitations within which the investigation will be conducted.
1.10.2 Chapter 2: South African Architectural practice

This Chapter will address the first two sub-problems (refer to 1.2a and 1.2b). In doing so it will provide a concise overview of the history of South African Architecture before reflecting on the current state of the profession and the legislation that governs it. This will be done to show that international trade has played an important role in the history of South African Architecture and to elicit some of the major difficulties faced by the profession as part of the process of identifying the potential role that globalisation can play and the benefits that it can have for the profession.

1.10.3 Chapter 3: Globalisation and the virtual organisation

The investigation into the first two sub-problems (refer to 1.2a and 1.2b) will be continued in this Chapter. It will explore globalisation in general before considering the effects of globalisation on Architectural practice. In particular it will identify the opportunities created for Architectural practices by the ongoing process of globalisation. Thereafter, it will explore Virtual collaboration as the mechanism that has enabled the upsurge in global co-operation between Architectural practices. In doing so it will first explore what Virtual collaboration is before reporting on the technology that supports this form of co-operation. Following this the problems associated with managing this form of organisation and the solutions thereto suggested by literature will be discussed. The purpose of this exploration will be to determine the potential the South African Architectural profession has to globalise and to identify some of the problems inherent in such a strategy and suggest solutions.
1.10.4 Chapter 4: Case study methodology and questionnaire

This Chapter will investigate the second and third sub-problems (refer to 1.2b and 1.2c). Chapter 2 and Chapter 3 will have established that, in theory, a globalisation strategy is a suitable one for South African Architectural practices. Furthermore, the foregoing chapters will have indicated that various firms have introduced such a strategy and that the technology and methodologies that support such a strategy exist. This seems to indicate that such a strategy is both feasible and acceptable. This Chapter and the next Chapter will seek to confirm this indication by means of case studies conducted at three Architectural practices that have implemented this strategy. This Chapter will compile the questions that each case study will seek to answer while Chapter 5 will report on the outcomes of the investigations.

1.10.5 Chapter 5: Results of case study investigation

This chapter will focus on the second and third sub-problems (refer to 1.2). It will firstly report the results of the studies undertaken. Thereafter it will analyse, compare and evaluate the results of the individual studies. Thereafter conclusions will be drawn on the acceptability and feasibility of a globalisation strategy.

1.10.6 Chapter 6: Conclusion

The conclusions of the previous chapters will be combined in this chapter. These results will be compared to the sub-problems being investigated (refer to 1.1 and 1.2), the objectives of the investigation (refer to 1.3) and the hypothesis being tested (refer to 1.3.3) in order to determine its validity. Thereafter final conclusions for this investigation will be drawn.
1.10.7 Chapter 7: Recommendations

Based on the findings of the investigation, this chapter will make recommendations that can assist Architectural practices who have accepted a globalisation strategy or who are considering such a strategy. It will also make recommendations for further research into this phenomenon.
CHAPTER 2

THE SOUTH AFRICAN ARCHITECTURAL PROFESSION

2.1 INTRODUCTION

This Chapter will address the first two sub-problems (refer to 1.2a and 1.2b). These are whether historical and practical reasons exist for South African Architectural practices to consider a globalisation strategy and what were the processes and indicators that lead those firms to do so?

Chapters two and three, in pursuance of these questions will establish the strategic position of South African Architectural Practices. This chapter will provide a concise overview of the history of Architecture in South Africa before reflecting on the legislation that governs the profession and its current state. While the merits of such a ‘cursory glance’ at the history of South African Architecture might be debateable, the intention is to show that since the earliest times, the history of South African Architecture and the expansion of international trade connected at many of the critical moments. The aim of the analysis of the current state of the profession is to elicit some of the major difficulties faced by the profession as part of the process of identifying the potential role that globalisation can play and the benefits that it can have for the profession.
2.2 A CONCISE OVERVIEW OF SOUTH AFRICAN ARCHITECTURAL HISTORY

According to Prinsloo and Phillips (2000:156), the first settled communities in sub-Saharan Africa go back to approximately 14 000 years ago. However they did not build permanent settlements. Around 2000 years ago the first Khoisan bands moved from northern Botswana towards the Cape. Their highly specialised and complex huts (Prinsloo and Phillips, 2000:156) were built from reeds and saplings and hence no authentic examples remain. Thus, according to them, the oldest surviving structures are the untrimmed stone structures built by Iron Age settlers in far northern parts of South Africa and Zimbabwe. Of these the Mapungubwe complex built near the confluence of the Shashe and Limpopo rivers around 1000 years ago and similar settlements to the east in the northern Kruger National Park, are receiving increasing attention (Fisher, 1997a: 1). The Mapungubwe area, which in 2003 was declared a World Heritage Site, significantly, flourished due to foreign trade conducted with traders from the Middle-East (South African National Parks, 2003).

From the 14th century onward, Bantu-speaking peoples constructed thousands of villages scattered throughout the central and northern parts of the country (Prinsloo and Phillips, 2000:157). Unfortunately, little remains of these villages. Notable exceptions are the Iron Age settlements built by the Tswana people between 1600 and 1750 (Fisher, 1997a: 1). Of these, the ‘Vlakfontein’ settlement is the largest (Prinsloo and Phillips, 2000:158).
During the ‘first great expansion of European capitalism’ (Globalisation Guide, undated), the Dutch developed extensive trade and colonial interests such as colonies and trading posts (Prinsloo and Phillips, 2000:146). On 6 April 1652 they established a ‘halfway station’ between Europe and ‘the east’ at, what today is Cape Town. In the same year they commenced with the construction of a fort. The first parts of the fort were constructed of timber and it was only after the firing of the first kiln of bricks in 1655, that bricks were used (Prinsloo and Phillips, 2000:146).

From these rudimentary beginnings started “the story of Architecture in South Africa” which Noëleen Murray regards as “the story of European expansion and the ‘materialisation’ of a colonial presence” (Murray, 2003: 13). However, in the light of the developments in the Mapungubwe area already referred to and as the following section will show, it will be more correct to describe the story of Architecture in South Africa as “the story of expanding international trade and the ‘materialisation’ of colonial, financial and/or political dominance”.

The period of Dutch rule lasted until 1795. The first buildings constructed were crude and utilitarian. Prinsloo and Phillips (2000:150) state that in response to the state of building design, Commissioner Simons, in 1708 requested that “someone who understands something about architecture” be sent to the Cape. Louis Thibault became the first formally trained architect at the Cape (Fisher, 1997b: 1). He described what he found as “at once vicious, grotesquely ugly and doubly costly”. Due to the influence of Thibault (with sculptor Anreith and builder Schutte) and the French Hugenots who arrived in 1781, Architecture at the Cape prospered
and "arguably reached its zenith during this time" (Prinsloo and Phillips, 2000:150). The combination of European Architectural styles and local building materials and layouts and construction methods that suited the local climate, led to the 'Cape Dutch' style of Architecture (De Bosdari, 1971: 11-32).

Some of the most notable buildings constructed during the period of Dutch rule were The Castle (started in 1666), Groot Constantia (started in 1685), Leeuwenhof (started in 1690), Meerlust (started 1776), Valkenburg (started 1770), Burgerwachthuis (started 1775), Lutheran Parsonage (started 1774), Rhone, Groot Drakenstein (started 1795) and Koopmans de Wet House (started 1790) (Prinsloo and Phillips, 2000:150).

In 1795 the British occupied the Cape. Cain and Hopkins (1992: 180) established that a clear link existed between British imperialism and "gentlemanly capitalism". Thus, when the British occupied the Cape in 1795 and again in 1806, expanding free trade again resulted in pertinent changes to the Architecture of the ‘colony’. Aided by the twin earthquakes that struck Cape Town in 1809 and 1811 (Prinsloo and Phillips, 2000:138) house design changed dramatically. "Sculptural decoration disappeared. Regency and then Georgian window proportions appeared" (Prinsloo and Phillips, 2000:138). A building boom followed the arrival of the 1820 Settlers. Row houses, public and religious buildings that draw strongly from European and particularly British models were built throughout the ‘colony'.
The 'Great Trek' results in the establishment of independent ‘boer’ Republics in the Orange Free State and Transvaal and therewith a need for the materialisation of the newly established political power and independence. In the late 1880s Dutch influence returns when Styze Wopke Wierda was appointed to head the Public Works Department of the Zuid-Afrikaansche Republiek (Prinsloo and Phillips, 2000:138).

The period between 1795 and 1900 was one during which the institution of architects in service of the state was formalised as the Public Works Department (Fisher, 1997b: 1). The period saw the first formal teaching in Architecture, when in 1815, at the Technical Institute, funded by the Freemasons, a ‘school’ of Architecture was established with Thibault as Director and Amreith as Principal and Instructor (Prinsloo and Phillips, 2000:139). Also during this period, the first South African born and trained Architect, H. Teubes and the first woman Architect, Sophia Gray started practice (Prinsloo and Phillips, 2000:139). Notable Architects of some of the major public works constructed during this period included Charles Freeman, Johannes Rienk, Johannes Kraan, Hermanus Luiting, Klaas van Russe (Junior), Johannes Vixseboxse and Styze Wierda (Prinsloo and Phillips, 2000:140-141). Unfortunately, the work of this period disappointed because “a truly South African Architecture did not evolve from its Cape Dutch beginnings” (Prinsloo and Phillips, 2000:138).

After the end of the Second Anglo-Boer War when the entire country was under British control and thus colonial power and with that international trade (particularly
the trade in gold), needed to be expressed. Thus, after the war and the formation of the Union of South Africa, the so-called "Baker School" dominated the period between 1910 and 1920. During this period Sir Herbert Baker, Francis Massey, Frank Fleming and others who worked for the practice and many who were influenced by Baker’s work, had the greatest impact on the Architecture of the period (Prinsloo and Phillips, 2000:124). One of Baker’s several styles, the ‘Cape Colonial Dutch Revival’ style, managed to combine elements of Cape Dutch Architecture with the European styles of the day, thereby producing an Architecture that was uniquely South African. However, the period also saw the rise of the spirit of Afrikaner Nationalism with a strong sense of cultural identity and a dream of reclaiming political power (Fisher, 1997b: 2). Gerhard Moerdyk became the built expression of this ideal (Fisher, 1997b: 2).

The period between 1920 and 1930, with ‘Neoclassicism’ still popular, saw a move away from European Classicism influenced styles in Architecture. Other styles, including ‘Art Deco’ with its Egyptian inspired decoration, found their climax during this time (Prinsloo and Phillips, 2000:113). At the same time, in Europe, a renaissance, with an upsurge of confidence in mankind, its potential and its inherent humanity, was being experienced. This humanity, according to them, needed a “new way of life and a new expression of the spirit of the time, new environments and a new relationship between man and technology”. This ‘renaissance’ was the start of the ‘Modern movements in Architecture’ (Jencks, 1973). In 1928 one saw the formation of the Congrès Internationaux d’Architecture Moderne (CIAM) (referred to in section 1.5). This very influential group that
included Le Corbusier, Gropius and Gideon, determined the programmes, policies, methods and aesthetics of Architecture and urbanism in Europe and later large parts of the world including South Africa (Prinsloo and Phillips, 2000:115). In 1932 the 'International Style Exhibition' took place in New York and established the movement as a style. The mass emigration of Architects from Hitler's Germany, spread many of the ideas of the International Style to various parts of the world, including South Africa where Rex Martienssen became its leading proponent (Prinsloo and Phillips, 2000:103). In this he used his position as lecturer at the University of the Witwatersrand to promote the ideals of Le Corbusier and Mies van der Rohe (Fisher, 1997b: 2). The young Architects, who Le Corbusier referred to as 'Le Group Transvall' publish 'Zero Hour' as a 'manifesto' espousing their ideals (Demissie, 1997: 2). During the 1930s, some of the world's first modern movement buildings are erected in Johannesburg, the Witwatersrand and Pretoria (Fisher, 1997b: 2).

However, a spirit of pragmatism soon tempered Modernism when South African Architects realised that developments in Brazil held more relevance to Architecture in our climate (Fisher, 1997b: 3). In 1933, Norman Eaton who was a particular exponent of this style (Fisher, 1997b: 3) starts practice in Pretoria (Prinsloo and Phillips, 2000:104). Eaton managed to combine "beautiful African quality" (Preller cited by Prinsloo and Phillips, 2000:104) with the elements of Modern Architecture (Prinsloo and Phillips, 2000:104). After 1950, internationally, Architects began to question the International style's ruling ethic and aesthetic (Prinsloo and Phillips, 2000:87). However, for the largest part, South African Architects continued to
follow the styles that dominated in Europe and the United States of America with Louis Kahn and Alvar Aalto being particularly influential (Fisher, 1997b: 3). The period between 1940 and 1960 saw the continuation of the rise in power of Afrikaner nationalism. Again, political and economic power needed materialisation. Fisher (cited by Prinsloo and Phillips, 2000:95) concludes that "the Afrikaner had a culture, the culture a religion and the religion a style-Modern tempered by a critical 'Calvinist' regionalism". By the 1980s, the Post-Modern idiom had become the Architecture of consumerism and much commercial work adopted this style in a manner that is indistinguishable from that practised elsewhere in the world (Fisher, 1997b: 3). However, some of the more notable and acclaimed Architects such as Gawie Fagan worked in a regionalist tradition while after the 1994 elections, and because of a need to materialise the new political and economic order, many such as Jo Noero, Karin Smuts, Ora Joubert, Kate Otten, are attempting to combine current philosophical concerns with the rigors of local circumstances (Fisher, 1997b: 3). This search is for greater relevance (Marschall and Kearny, 2000: 7-13) and identity "in ways that place the different realities and concerns of South African Architecture in a context that is as much of the First World as of the Third World, of the global as of the grassroots" (De Jager, Du Toit, Hugo-Hammond, Low and Van Wyk, 2003: 9). In addition, some firms utilise technological innovations and democratic South Africa's acceptance into the international economic and Architectural 'fold' as an opportunity to globalise (Young-Pugh, 2004: 3) by setting up branch practices and/or marketing their services abroad (refer to Chapter 3).
Llewellyn van Wyk ([South African Institute of Architects [SAIA], 2001: iii) stated that colonisation and globalisation have one thing in common: "...they trade as their primary reason for existence". Thus once again Architecture in South Africa is characterised by expanding international trade and the 'materialisation' of colonial, financial and/or political dominance with 'global' expansion a new, but evolutionary development.

2.3 REGULATORY ENVIRONMENT

Architecture has been accepted as one of the 'statutory professions' since 1927 when the 'Architects and Quantity Surveyors Private Act Number 18 of 1927' was accepted by Parliament (SAIA, 2001a: v). This Act joined together the Cape Provincial Institute of Architects (founded in 1899), the Port Elizabeth Society of Architects (founded in 1900), the Natal Institute of Architects (founded in 1902), the Association of Transvaal Architects (founded in 1909) and The Orange Free State Institute of Architects (founded in 1922). In 1968 the Government of the day declared its intention to rescind this Private Act and replace it with a public act (SAIA, 2001a: v). The Architects Act Number 35 of 1970 came into effect on 1 March 1971 (SAIA, 2001: v). The act had a number of very important stipulations (South African Council for the Architectural Profession [SACAP], undated):

The Act established the South African Council for Architects.

a. It recognised The South African Institute of Architects as an Association of Architects, membership of which was compulsory for those who wished to
practice as Architects. This requirement was repealed in 1996 (SAIA, 2001a: v).

b. It reserved the design and alterations to buildings bigger than 500 square meters (with a few exceptions) for registered Architects.

c. A minimum fee scale was enforced; a requirement, that in later years, was repealed (Young-Pugh, 2004: 2).

This legislation, with amendments, remained in force for almost 30 years. New legislation, the Architectural Profession Act 2000, Act 44 of 2000 was published on 1 December 2000 and came into operation on 26 January 2001 (SACAP, undated). According to SACAP, one of the major changes in the new legislation was that it provided for the registration of Professional Architects, Senior Architectural Technologists, Architectural Technologists and Architectural Draughtspersons whereas the previous legislation had dealt only with Architects. Furthermore, the new Council was granted the same main functions as the previous Council. This included the control of standards of education, for the purpose of professional registration, at Technikons and Universities. This is done by means of visiting boards. Furthermore, the Act requires from SACAP the administration of a Code of Conduct in the public interest and for the protection of the public interest by identifying the type of architectural work each category of registered person is capable and competent to perform.

In addition the Council is obliged to consult with the Council of Higher Education (CHE) and Education Training Quality Assurance bodies in connection with the
educational standards. It will also have to consult with the Council for the Built Environment (CBE) on matters such as the Code of Conduct and Identification of Work (SACAP, undated).

The CBE was established as an umbrella body to advise the state on issues relating to the built environment and sustainability of the Built Environment Professions in South Africa (SACAP, undated). Councillors forming the CBE are councillors from the various Built Environment Professions Councils. These professions are the:

a. Engineering Profession  
b. Landscape Architectural Profession  
c. Property Valuers Profession  
d. Quantity Surveying Profession  
e. Project and Construction Management Profession  
f. Planning Profession.

The new act also sought to do away with the 500 square meters limit and provided for the implementation of revised limitations and scope of work relevant to each category of registration with SACAP. However this aspect is still being finalised but the revised scope of work will now have a fairer basis and not based on automatic reservation of work, as was the case before (SACAP, undated). Another improvement under the current act is that the recommended fee scale applies for all SACAP registered persons regardless of levels of registration.
SACAP maintains close ties with overseas bodies such as The Commonwealth Association of Architects (CAA), Royal Institute of British Architects (RIBA) and the Union of International Architects (UIA). The RIBA accredits, on behalf of the CAA, all educational programmes to ensure international compatibility. Furthermore, international activities are controlled by the World Trade Organisation (WTO). This organisation in 1993 negotiated an extension to its 'General Agreement on Tariffs and Trade' (GATT). This extension extended control to services and intellectual property. The agreement came into operation in 1995 (Hill, 2003: 189).

2.4 THE STATE OF THE ARCHITECTURAL PROFESSION

A survey conducted by the SAIA in 2001 found that at the time:

a. There were approximately 4000 registered Architectural Professionals in South Africa

b. There were 2600 registered Professional Architects

c. There were 1700 practices, all with the permanent presence of an Architect

d. 92% of members were resident in South Africa

e. The number of female members were growing rapidly

f. The number of single partner practices had more than doubled since 1991. At the time, 40 percent of practices were 'one man shows'

g. Two and three person practices accounted for 20 percent of practices
h. There was, over the preceding decade, a significant reduction in the number of medium sized practices: from over 30 percent to approximately 18 percent.

i. There was also an increase from eight percent to 18 percent, in the number of practices that consist of more than 10 persons.

j. A significant reduction in the number of practices that consisted of more than 30 persons occurred over the preceding decade: from 15 percent to five percent of practices.

k. Hardly any existing practice employed more than 50 persons.

l. The average income of practices remained at the level that it was a decade ago. In real terms this represents a significant drop in income.

m. In contrast with the above, turnover increased over the period.

n. The make-up of practices changed over the period: Large practices increased in size and the number of technical and administrative persons employed by these practices increased in relative terms. However, in all the other categories the reverse is true with the number of Architects employed increasing in relative terms.

o. Very few Architects can boast excellence in all of the ‘fields of competencies’ (needs assessment, design, documentation, contract administration and arbitration) required from a modern day Architectural practice.

p. Very few practices have diversified the range of services offered by them.
q. The importance of the public sector as a source of work was diminishing.

r. While there was a large pool of experience, skill and expertise available in the profession, a disconcertingly high (25 percent) spare capacity was reported.

s. While spare capacity existed, the number of firms who made use of the services of others increased over the preceding decade.

t. The relative income of Architects dropped over the period.

u. Several individuals reported that they also received an offshore income.

v. The average incomes reported, do not reflect the levels of education, skills and expertise required to enter the profession.

w. Fees due to Architects by their Private Sector clients are not paid within reasonable periods and are substantially overdue.

x. South African qualifications in Architecture enjoy international recognition and the competence of South African Architects is highly regarded internationally. Thus many newly qualified Architects are finding it quite easy to find employment abroad.

(South African Institute of Architects [SAIA], 2001b: 1-5)

Llewellyn van Wyk, on behalf of the Council for Scientific and Industrial Research's Building and Construction Technology [CSIR(Boutek)] reports that the Built Environment professions are under pressure due to low levels of work, resulting in large practices breaking-up to form smaller practices. This tendency is resulting in
the loss of a substantial number of employment opportunities (Van Wyk, 2004:1). He continues by informing that fee-cutting by clients has reduced income margins which in turn resulted in salaries in this sector lagging behind those paid in comparable sectors by as much as 40 percent. He informs that whilst financial rewards were reducing, liabilities were increasing. As a result, research and professional development is suffering. This resulted in a situation where "innovation has been replaced by replication".

Rob Young-Pugh (2004: 3) reports that in 2003, a total of eight South African Architectural practices are listed amongst the top 300 practices according to the journal ‘World Architecture’. This is a significant increase over the only five practices that made the 2002 list. The CSIR reports that ‘World Architecture’, in 2002, found that nine out of the ten biggest Architectural practices in Africa were occupied by South African firms (Van Wyk, 2004: 17). Rob Young-Pugh (2004: 3) continues that while global outsourcing and collaboration in the Architectural services industry internationally is a well-established practice, South African firms only recognised this opportunity fairly recently.

Llewellyn Van Wyk contends that the South African Construction Industry is an unstable one that responds dramatically to changes in the general economic cycle (2001b: 7). He also expressed the concern that the reduction in firm size can have severe implications for major future projects since it will become very difficult to assemble the range of skills required by such projects (2001c: 7). In addition he
raised concerns about the numbers of newly trained Architects who, at the time, were forced to find work overseas resulting in a loss of skills to the country.

An analysis of the foregoing reveals that the profession is plagued by the following problems:

a. Instability and vulnerability to cycles of economic activity.

b. Fragmentation of practices with bigger practices breaking-up to form smaller practices. These smaller practises are no longer able to provide the range of skills required for large projects.

c. The loss of newly trained architects with a concomitant loss of the money invested in their training by the state and others.

d. Fees payable by Private Sector clients remain outstanding for unacceptably long periods. Coupled to the instability that exists in the Construction Industry, this will have a severely negative impact on the cash-flow situation of practices.

e. Incomes that do not reflect the levels of education, skills and expertise required on entering the profession.

f. Disconcertingly high spare capacity.

2.5 CONCLUSION

This Chapter has shown that the story of Architecture in South Africa is characterised by expanding international trade and the ‘materialisation’ of colonial, financial and/or political dominance, with ‘global’ expansion being a new, but
evolutionary development. This argues against philosophical objections to Architectural practices adopting a globalisation strategy.

Furthermore it found that the profession is well regulated. It maintains close links with the international community of Architects and seeks to uphold standards that are at internationally accepted levels. However, in spite of the fact that conditions have improved with the general upturn in the economy, fundamentally it suffers from certain endemic problems. Thus, as part of the investigation into the strategic position of South African Architectural practices, the following chapter will investigate the potential of the profession to globalise and if a policy to globalise can relieve some of these problems?
CHAPTER 3
GLOBALISATION AND VIRTUAL COLLABORATION

3.1 INTRODUCTION

The globalisation of business activities and the term global strategy emerged in the early 1980s (Svensson, 2001: 3). Svensson continues that Theodore Levitt is considered the first to recognise the trend towards globalisation. Levitt argued that companies must learn to operate and view the world as one large market (Levitt, 1983: 92). Furthermore, he argued that the companies that do not adapt to the new global realities would become the victims of those that do.

The first Chapter, under 1.4.1, defined globalisation as the increasing integration of the economies, cultures, politics, knowledge and technologies of the different countries of the world, as part of a process in which geographic distance is of diminishing importance. This Chapter will continue the investigation into the first two sub-problems (refer to 1.2a and 1.2b) In particular this Chapter will investigate the implications this phenomenon has for Architectural practice.

The investigation will explore globalisation in general before considering the effects of globalisation on Architectural practice. In particular it will identify the opportunities created for Architectural practices by the ongoing process of globalisation. Thereafter, it will engage with Virtual collaboration as the mechanism
that has enabled the upsurge in global co-operation between Architectural practices. In doing so it will first explore what Virtual collaboration is before reporting on the technology that supports this form of co-operation. Following this it will turn to the problems associated with managing this form of organisation and the solutions suggested by literature. The purpose of this exploration will be to determine the potential the South African Architectural profession has to globalise and to identify some of the problems inherent in such a strategy and suggest solutions thereto. Finally, before drawing conclusions, the author will undertake a "SWOT" analysis, exploring the strengths, weaknesses, opportunities and threats uncovered by this part of the investigation.

3.2 GLOBALISATION

The first circumnavigation of the globe between 1519 and 1521 brought about the first intercontinental expansion of European Capitalism, a system that was started during the 16th century. However the first major expansion in world trade and investment started only in the late nineteenth century (Globalisation Guide, Undated: 1). Since then the growth in world trade has been expanding steadily, with a brief interlude caused by the protectionist period that followed World War 1.

Hill (2003: 6) regards globalisation as a shift toward a more integrated and interdependent world economy. According to him, globalisation has two main components namely the globalisation of markets and the globalisation of
production. Thus the continual removal of trade barriers that followed the end of World War 2 heralded the advent of the current phase of a process that has been underway for a long time (Globalisation Guide, Undated: 2). The removal of trade barriers made it easier to sell internationally (Hill, 2003: 6). This situation, when coupled to Levitt’s contention, that the tastes and preferences of consumers in different nations are beginning to converge, (1983: 94) brings into view the construct of a ‘global market’.

Hill continues that the globalisation of production refers to the location of production and sourcing of goods and services from locations around the world, in order to take advantage of national differences in the cost and quality of the factors of production such as land, labour, capital and energy (2003: 7). According to him, companies operate in this way in order to lower their overall cost structure and/or to improve the levels of quality or functionality associated with their product offering. This is done in order to be more competitive. Thus, as a consequence, countries tend to concentrate their national energy and activities in the industries they are good at and in those in which they have a competitive advantage, while importing the products in which they are not competitive (Globalisation Guide, Undated: 1).

The drivers behind the process of globalisation, according to Hill (2003: 8) are the removal of barriers and hindrances to the free flow of capital, goods, materials and services on the one hand and technological change, particularly the rapid
developments in communication, information processing and transportation technologies on the other.

It is the rapid development of information and communication technologies in particular that reduced the need for the various functions in Architectural practice to be located close to each other (Tombesi, Dave and Scriptor, 2003: 63). They hold that computer-based draughting allows for better and more efficient production of drawings whilst electronic communication systems, such as the Internet, allows for the immediate transfer of such drawings across long distances. Virtual cooperation and the virtual organisation became a reality. Thus it became possible to relocate Architectural production facilities from 'higher-' to 'lower-wage' areas. At the same time, construction methods and building codes, as a legacy of colonialism, are similar in many countries (Van Wyk, 2001: 7) a situation that, in terms of Hill's contention, indicates that the Architectural profession is one that can globalise.

3.3 GLOBALISATION AS A BUSINESS STRATEGY

"A globalisation strategy essentially is a market development strategy where existing products are offered in new markets" (Johnson and Scholes, 2002: 370). According to these authors, such a strategy can be driven by either resource and/or market considerations. As stated previously, Hill (2003: 6), along similar lines, proposes that globalisation has two main components namely the globalisation of markets and the globalisation of production. Johnson and Scholes (2002: 370), point to the fact that often it is those organisations with restricted home markets
that lead globalisation processes. They continue by stating that firms can derive substantial additional advantage from globalised operations, because market development, an inherent part of such a strategy, often requires a degree of competence development. The competencies so developed, can provide a firm with knowledge and skills that it, in turn, can exploit at home in order to further increase its competitive advantage and market share.

Hill (2003: 409) states that firms with globalised operations not only are able to relocate activities to geographic areas and countries where they can be performed most efficiently and cost effectively, but also:

a. Reduce production cost by optimising experience curve related benefits.

b. Optimise the firm’s distinctive skills and competencies.

c. Transferring skills and knowledge acquired as part of foreign operations to the home operation thereby increasing its efficiency in the home economy; an important aspect because they will now also have to compete against other global players in this area.

Dess and Miller (1993:206) cite the following advantages for global expansion:

a. Lowered cost of production.

b. Limited opportunities in the domestic market can be supplemented.

c. The ability to compete more effectively against global competitors who will be entering or have entered the local market.
However, they also cite certain disadvantages including:

a. It often entails greater uncertainty and hence more complex financial risks.

b. Because of local differences, greater social and political risks.

c. Globalisation, in many cases, will also require some adjustment to product features or development methods in order to allow for local differences.

In addition, Johnson and Scholes (2002: 421) believe that a globalisation strategy will have to overcome certain problems such as communicating across longer distances, co-ordinating more diversity and complexity and building relationships and coherence across various and diverse cultures.

Hill (2003: 476-499) indicates that firms wishing to adopt a global strategy will also have to carefully consider the timing of their entry into a particular market, the scale of their entry and mode of entry. The following modes of entry are proposed:

a. Exporting

b. Licensing

c. Franchising

d. Joint ventures

e. Wholly owned subsidiaries.

He continues that the optimal entry mode is often determined by the firm’s core-competency (skills that competitors cannot easily match or imitate). In this regard
he holds that a distinction can be drawn between those firms whose core competency lies in technological know-how and those where it lies in managerial prowess. He recommends that when technological ability is a firm's core competence, that wholly owned subsidiaries be selected as the entry mode while if management know-how is the core-competency, joint ventures are recommended. The reason for this is because of the advantages it holds in terms of political acceptability, the ability to identify and overcome local and cultural differences and the fact that many of the costs and risks associated with the venture will be shared with the local partner.

3.4 GLOBALISATION AND ARCHITECTURAL PRACTICE

For many years before the 'Charter of Athens' and the advent of the 'International style', Architecture has had a transnational outlook (Knox and Milfeit, 2003: 1). As an example of this is that one of the major influences colonial governments have had on the countries they occupied, was the buildings, “designed and constructed in the prevalent style and with the prevalent technology of the home country”. These buildings were erected as a sign of dominance in all the areas under their control (Knox and Taylor, 2004:1). Noëleen Murray, as stated previously, holds that “The story of Architecture in South Africa, it is generally accepted, is the story of European expansion and the 'materialisation' of a colonial presence.” (Murray, 2003: 13). This fact supports many of the culture related concerns about the cultural impact of globalisation, raised by authors such as Tombesi, Dave and Scrive (2003: 67), Forjaz, Roy, Bard and Soderquist (Young-Pugh, 2004: 6),
In a similar manner, the social revolution that followed the First World War and the concomitant advent of 'Modernism' reinforced the international reach of Architecture: International 'commissions' were given to practitioners such as Albert Kahn and Le Corbusier (Knox and Taylor, 2004:1). This development was further consolidated by Phillip Johnson and Henry Russell Hitchcock's promotion of the idea of an International Style and the migration before the outbreak of the Second World War of Walter Gropius, Mies van der Rohe and others. This movement was consolidated by the publication of the Athens Charter by the Congrès Internatioaux d'Architecture Moderne (CIAM) (Knox and Taylor, 2004:1). According to them, the trend was continued after the Second World War by the commissioning of American and European Architects such as Louis Kahn, Eero Saarinen and others, for buildings in various parts of the world.

Despite this, until the last part of the previous century, most Architectural practices were organised around a local, regional or national framework (Knox and Milfeit, 2003: 1). However, developments in information technology have reduced this need for proximity of location for the various aspects of Architectural practice (Tombesi, Dave and Scriver, 2003: 1): Digital and telecommunication technologies enabled practices to have the different elements of practice to be spread across continents. Thus many practices, supported by international business services and spurred on by clients with transnational interests and operations, had to follow this trend. The move was enhanced by the growing cosmopolitan sensibility and increase in free trade (Knox and Taylor, 2004:1). Thus, according to them, the
portfolio of many Architectural firms now has an international component and the scope of operations of many of the largest firms can be described as 'global'.

Knox and Taylor (2004: 2) show that the global component is manifested in two practice developments: Firstly, many practices from the United States of America and Europe have developed branch office networks. At the same time, the ability to send drawings across continents in minutes has made possible the relocation of Architectural 'production facilities' from many of the world's higher wage areas such as the United States and Europe to some of the more developed, lower wage areas such as India, Malaysia and the Pacific Rim (Tombesi, Dave and Scriver, 2003: 1).

Rob Young-Pugh (2004: 3) found that even though global outsourcing and collaboration in Architectural services is well established internationally, this has only recently been recognised by South African Architects as a specific market for professional services. However, since then, South African Architectural practices have benefited from both these developments with many firms, including Louis Karol Architects (Silke and De Beer, 2002: 12) and GAPP (Gallagher, 2004: 111) having entered into virtual collaboration with overseas firms. As part of these cooperative arrangements they produce 'working drawings' for European based firms. Others such as Bentel Associates International (Purple Apricot, 2004:1) have opened offices in other countries. In addition to this, some firms have contributed to International 'Conceptualisation' and design ventures with European firms. Examples of this type of collaboration are Andrew Makin and Janina Masojada,
omm Design Workshop (Makin and Masojada, 2004: 105), on the Prada ‘epi-
centre’ stores and dhk Architects on the ‘Venizia Futura’ in Venice (Du Toit, Hugo-
Hamman, and Low, 2003: 131). Thus, it can be concluded that the globalisation of
Architectural practice followed the general pattern of globalisation: The
globalisation of markets and the globalisation of production, as proposed by Hill
(2003: 6).

The CSIR confirms this trend (2004: 17) but regards that “few, if any, of these
consultancies have any prior knowledge of operating conditions in these new
environments”. This has resulted in negative experiences with many firms deciding
to either reduce their involvement or even withdrawing from such ventures (Van
Wyk, 2004:17). However, according to Van Wyk, some were so successful that
they are now solely reliant on offshore work to remain in business.

According to Young-Pugh (2004: 4) the number of Architectural practices
undertaking outsourcing or collaboration services have increased during the last
few years. This has continued despite the strengthening of the Rand during 2003.
Furthermore, he is of the opinion that South Africa has the potential to expand its
participation in the global Architectural services trade. He regards the following as
factors that enhance the likelihood of an expansion in this regard:

a. The historical connections between South Africa and the
   Commonwealth.
b. Consistent professional culture with Commonwealth countries supported by similarities in education, construction methods, building codes, procedures and legal aspects.

c. The availability of a substantial number of young practitioners who have worked in other commonwealth countries (notably Great Britain).

d. The validation of educational programmes at South African Universities and Technikons by the Royal Institute of British Architects (RIBA) and the Union of International Architects (UIA).

e. The large-scale use, by South African practices, of computers and Computer Aided Software (CAD) in the production of documentation. The availability of an established and reliable telecommunications infrastructure including a Integrated Services Digital Network (ISDN) and Asynchronous Digital Subscriber Line (ADSL) access and the promise of Very Small Aperture Terminal (VSAT) a kind of ground station used to contact a communications satellite, by 2006).

f. The relatively competitive currency exchange rate (even in times of strong Rand performance).

g. Time zones that are relatively similar to those of Europe and the Middle East, comparatively low office rentals and employment costs that permit leverage of fees and financial incentives.

h. Service levels, although variable, that are generally of a high quality.
i. The availability of well-established firms, many of whom had worked on large and complex local projects using the most sophisticated technologies.

j. Professional Institutes that are supportive of such initiatives and are negotiating service accords through the UIA and CAA.

Van Wyk agrees with this view but warns that much work will have to be done to prepare South African practices for international competition and to deliver the levels of service expected so that their participation can be sustained (2004:18).

From the above it is clear that considerable potential for growth exists. Knox and Taylor (2004: 9) concur by declaring, "... analysis suggests that the globalisation of Architectural practice is at a relatively early stage". Young-Pugh (2004: 5) warns that because of this, due consideration of the consequences and implications hereof is essential. He adds that the benefits of such collaborative ventures are potentially symbiotic: The local Architectural profession can gain financially and experience smoother cash flows. In addition there is the additional benefit that can be derived from skills transfer, capacity development, particularly the capacity to serve foreign markets. At the same time the local market will be increasingly exposed to involvement by foreign firms so the dangers of domination and exploitation must be heeded. In this regard Van Wyk points to the fact that in the World Architecture survey referred to in the previous Chapter, 15 of the top 25 Architectural practices in Africa, are not African based firms (CSIR Boutek, 2004: 17).
In addition, there are also practices that are opposed to this type work, work which one practitioner referred to as “taking in washing to pay the rent” (Young-Pugh 2004: 4). Tombesi, Dave and Scriver (2003: 88) on the other hand, suggest that “rather than looking down on those practices that have decided to use distant collaboration” the profession should broaden its perspective and acknowledge that, “given the presence of certain conditions, these collaborations can yield positive results”. The previous chapter showed that this type of endeavour, viewed against the backdrop of South African Architectural history should be regarded as no more than an evolutionary development.

Knox and Taylor (2004:9) ask ‘what is the nature of the work and the magnitude of the fees involved? Who exactly are the professionals involved? What are the patterns of work undertaken? In addition to these questions, some of which this investigation will attempt to answer, the cultural, technological and environmental implication of globalisation in this field needs to be addressed. However, these aspects fall outside the scope of this investigation and thus will be recommended as areas for further research.

3.5 VIRTUAL COLLABORATION

The previous Chapter (1.4.4) defined “virtual collaboration” as a temporary or permanent collection of geographically dispersed individuals, groups, organisational units which do, or do not, belong to the same organisation or entire organisations that depend on electronic linking in order to complete the production
process". Nancy White reports that there seems to be a new subset emerging that looks to connect independent knowledge workers, irrespective of distance, time zones or nationality, to form temporary and even "permanent" business alliances (White, 2000:1). Collaboration between spatially disparate members of Architectural teams clearly falls within these parameters.

Malcolm Warner adds that virtual organisations offer opportunities for decentralisation and greater efficiency because smaller units are regarded as more flexible and more productive (2001: 1). A third, very important aspect that he points out is that virtual organisations, because of their strong reliance on information technology, have built in advantages in terms of knowledge management and thus organisational learning. He adds, "the links between virtual management and knowledge management are very close" (2001: 2). Since knowledge management is becoming a critical success factor (Laudon and Laudon, 2001: 373), this type of endeavour can be regarded as an organisational asset. Kramer (undated: 3) adds greater worker flexibility and increased worker satisfaction and productivity to the list of advantages.

3.6 INFORMATION AND COMMUNICATION SYSTEMS INFRASTRUCTURE

The Internet forms the backbone of any virtual collaborative arrangement (Hill, 2003: 11). Thus telephone connections should be enhanced to allow for 'three-way-calling' to enable conversations with more than one person at a time, 'call-forwarding' that will provide for calls to be forwarded to a mobile phone or other
fixed line phones, answering and messaging facilities and facilities to warn of incoming calls during conversations. Thus the office should have an Integrated Services Digital Network (ISDN) or even better an ADSL system. ISDN is a digital dial-up, end-to-end connection service that integrates voice, video, data or text facilities while ADSL access is a new modem technology that turns an ordinary telephone line into a multi-tasking access medium. ADSL access service provides always-available flat rated Internet (Telkom, 2005: 1). In addition a File Transfer Protocol (FTP) utility such as ‘Ipswitch's WS_FTP’ Pro, will be required to facilitate easy and speedy transfer of drawings and files.

Technical drawings are prepared with the aid of packages such as AutoDesk Architectural Desktop 2005 or AutoDesk Revit aided by a variety of packages such as ‘3D Studio viz’, ‘CorelDraw’, etc. used for presentation drawings. These packages require high specification (P4: 1GB RAM) Personal Computers. In addition each decentralised station will require an Inkjet or laser printer, a low specification plotter and ‘Web cam’ camera to enable desktop video conferencing.

Not all functions in an Architectural practice can as yet be performed on a ‘computer aided’ basis. Despite various attempts to provide software that will allow for the design process to be computerised, most design work still happens on old-fashioned drawing boards (this situation may change soon as some programmes such as ‘SketchUp’ by @Last Software, Inc. might fill this gap). Therefore, fax machines, scanners and telephones will be essential.
Virtual workers will benefit from information systems such as e-mail, 'Microsoft Net meeting' or 'LiveBoard' a networked electronic whiteboard and 'PictureTell' for desktop conferencing (Ruhleder, Jordan and Elmes, 1996; 6). Communication packages such as 'Lotus Notes' and its associated 'Work Manager' or another 'Workflow Management System' (WfMS) should also be provided.

3.7 MANAGING THE VIRTUAL ORGANISATION

While the virtual organisation is a much-discussed organisational model, few companies have been able to adopt it successfully (Warner, 2001: 1). How then should the virtual organisation be managed?

Solomon (2001: 2) suggests that companies who have established successful virtual teams have done so because they have managers who understand the unique characteristics of electronic communication. She contends that they have been able to do so because they have created a sense of 'communal experience'. This she regards as essential in order to achieve interaction of a standard that yields creativity and knowledge sharing.

She offers the following as guidelines for successful Virtual teams:

a. Select people who are self-starters, strong communicators and have other good virtual team skills.

b. Keep projects task focused so that team members will be able to gauge their progress and know if they are on target.
c. Keep team interactions upbeat and action oriented.
d. Standardise common protocols.
e. Create clear goals.
f. Celebrate reaching targets.
g. Create shared space - a virtual water cooler where people can interact beyond the scope of work.
h. Identify barriers to collaboration that you want to overcome.
i. Identify what people should do when a crisis occurs. Whom should they contact? What is the decision-making hierarchy?

She emphasises the need for the availability of proper communication technologies because they help managers to develop digital environments that foster ingenuity and innovation. According to Solomon “effective managers of virtual teams understand non-technological skills” (2001: 5). She adds that trust is a very important component of any successful virtual team, trust between managers and employees and between the various members of the team: In knowledge creation, the team members have to be able to trust each other and their leader if they are going to get the job done. Solomon (2001: 5) cites Newman who contends “Knowledge creation is building a new product or process around information people already have. When people are creating knowledge … you need shared understanding of how far they’ve come and what the group knows as a whole”. This can only happen amid a strong sense of ‘team-ness’.
Nicola Gillen (undated: 1) concurs with this view. She holds that “a corporate environment needs to foster a sense of belonging for the people that operate within it”. According to her, virtual space cannot act as a total replacement for physical space. She thus argues for a balance between the two.

Jacqueline Church (undated: 3), in suggesting seven new rules for the virtual workplace, concurs with these views. Her suggestions include:

a. The work team needs to invest some time and effort to build the group as a team.

b. Staff and managers have to develop and improve their work relationship and support each other.

c. Good (electronic) communication must replace informal contacts and ‘eyeball management’.

d. Planning and scheduling must replace relying on chance encounters in the office.

e. Individual accountability is the key — your results count, so continue doing what you do well and get better at the rest.

The same concerns are raised by Robert Kramer (1997: 4). He cites seven pointers from Gil Gordon. These again emphasise:

a. The need for trust amongst virtual teams.

b. Good communication.

c. Creating and maintaining a ‘team’ orientation.
However, Warner (2001: 5) sees the ability to manage knowledge as the key to success in the managing of virtual organisations. He sees knowledge as the lifeblood of the virtual organisation. Thus he holds that companies that wish to operate virtually must become adept at knowledge management.

When these statements are considered against the views expressed by the other sources, knowledge management, knowledge sharing and knowledge creation stand out as the common threads. Furthermore, if the important roles that good communication, trust and a strong team sense play in knowledge management is brought into the equation, it becomes clear that the views of these experts are not dissimilar, and that they, as a whole, can be accepted as a key to the successful management of a virtual organisation. The implication of this for the manager of such a team is that he or she will have to develop excellent leadership qualities, 'people skills' and communicative abilities.

3.8 SWOT ANALYSIS

Johnson and Scholes (2002: 134) describes a SWOT analysis as an analysis that summarises the "key issues from the business environment and the strategic capability of an organisation that are most likely to impact on strategy development". In the analysis that follows, the author will summarise the strengths, weaknesses, opportunities and threats for the South African Architectural profession as uncovered by the foregoing investigation (literature study).
3.8.1 Strengths

a. While a large pool of experience, skill and expertise was available in the profession, much of it was under-utilised with resultant spare capacity.

b. While spare capacity existed, the number of firms who made use of the services of others increased over the preceding decade.

c. South African qualifications in Architecture enjoy international recognition and the competence of South African Architects is highly regarded internationally. Thus many newly qualified Architects are finding it quite easy to find employment abroad.

d. The historical connections that exist between South Africa and the other Commonwealth countries.

e. There is a consistent professional culture shared with Commonwealth countries. This comprises similarities in education, construction methods, building codes, procedures and legal aspects.

f. There is a substantial number of young practitioners available who have worked in other commonwealth countries (notably Great Britain.

g. Educational programmes at South African Universities and Technikons have been validated by the ‘Royal Institute of British Architects (RIBA) and the Union of International Architects (UIA).

h. There is large-scale use, by South African practices, of computers and Computer Aided Software (CAD) in the production of contract and design documentation.
i. The availability of an established and reliable telecommunications infrastructure including ISDN and ADSL access and the promise of VSAT by 2006.

j. The relatively competitive currency exchange rate (even in times of strong Rand performance).

k. Time zones relatively similar to those of Europe and the Middle East, comparatively low office rentals and employment costs that permit leverage of fees and financial incentives.

l. Service levels, although variable, that is generally of a high quality.

m. The availability of well-established firms, many of who had worked on large and complex local projects using the most sophisticated technologies.

n. Professional Institutes that are supportive of such initiatives and are negotiating service accords through the UIA and CAA.

3.8.1 Weaknesses

a. The number of single partner practices has more than doubled since 1991.

b. There was, over the preceding decade, a significant reduction in the number of medium sized practices: from over 30 percent to approximately 18 percent.

c. A significant reduction in the number of practices that consisted of more than 30 persons occurred over the preceding decade: from 15 percent to five percent of practices.
d. The average income of practices remained at the level that it was a
decade ago. In real terms this represents a significant drop in
income.
e. In contrast to the above, turnover increased over the period.
f. Very few Architects can boast excellence in all of the ‘fields of
competencies’ required from a modern day Architectural practice.
g. Very few practices have diversified the range of services they offer.
h. The relative income of Architects has dropped during recent times.
i. The average incomes reported, do not reflect the levels of education,
skills and expertise required to enter the profession.
j. Fees due to Architects by their Private Sector clients are not paid
within reasonable periods and are substantially overdue.
k. Instability and vulnerability to cycles of economic activity.

3.8.2 Opportunities

a. Global outsourcing and collaboration in the Architectural services
industry internationally is a well-established practice.
b. Electronic communication systems, such as the Internet, allow for the
immediate transfer of drawings across long distances. This makes
the relocation of Architectural production facilities from ‘higher-’ to
‘lower-wage’ areas possible. Architectural capital can, because of
this, move to where the lowest production cost is.
c. The portfolio of many Architectural firms now has an international component and the scope of operations of many of the largest firms is 'global'.
d. The number of Architectural practices undertaking outsourcing or collaboration services has increased over the last few years.

3.8.3 Threats

a. Many newly trained Architects are forced to find work overseas resulting in a loss of skills to the country.
b. Foreign Architectural practices are starting to set up independent Architectural practices in South Africa. This is done as part of their globalisation strategies and to establish local 'low cost' production facilities.
c. The size of practices is reducing and many practices can, as a result, no longer provide the range of expertise required from them.
d. Instability in levels of work and the precarious financial position of many Architectural practices.

Dess and Miller (1993:10) indicate that successful strategic planning demands the matching of internal strengths and weaknesses with external opportunities and threats.

A comparison of these aspects, as delineated in the above analysis, indicates that the strategic position of the South African Architectural profession is one that is
precarious but that has the potential to globalise and that a globalisation strategy can address some of the current problems experienced by the profession.

3.9 CONCLUSION

This Chapter found that the drivers behind the process of globalisation are the decline in barriers to the free flow of capital, goods and technological change. It was further enhanced by developments in communication, information processing and transportation technologies. It is the development of communication technologies in particular that reduced the need for spatial proximity in the practice of Architecture. Thus it was found that the Architectural profession is one that had the potential to globalise.

This was done to the extent that the portfolio of many Architectural firms now has an international component and that the scopes of operations of many of the largest firms are ‘global’. This global component is manifested in two practice developments: branch office networks and the relocation of Architectural ‘production facilities’ from higher wage areas to lower wage areas. Thus, the globalisation of Architectural practice followed the general pattern of globalisation: The globalisation of markets and the globalisation of production.

South African Architectural practices have benefited from both these developments and have the potential to expand its participation in the global Architectural services trade. The benefits of such collaborative ventures are that the local
Architectural profession can gain financially and experience smoother work and cash flows. In this way a global strategy can address some of the current problems experienced by the profession. There is also the additional benefit that can be derived from skills transfer and capacity development, particularly the capacity to serve foreign markets thereby improving its future prospects. However, practices should not venture into this sphere unless they are well prepared for it. At the same time it must be considered that the local market will be increasingly exposed to involvement by foreign firms and that the dangers of domination and exploitation must be heeded.

Furthermore it was found that virtual collaboration requires advanced and expensive infrastructure and that it presents certain managerial problems that can best be dealt with by responding to the need for trust amongst virtual teams, good communication and by creating and maintaining a team orientation.

Thus, it can be concluded that in theory, the strategic position of South African Architectural practices is one where practical and historical reasons exist for the profession to embark on a globalisation strategy. However, this theory needs to be confirmed by an investigation into the actual experiences of some of the Architectural practices that have implemented such a strategy. This will be done by means of case studies that will be described and analysed in the following Chapters.
Chapter 4

CASE STUDY METHODOLOGY AND QUESTIONNAIRE

4.1 INTRODUCTION

This Chapter will explore the third sub-problem which is to determine whether globalisation has proven to be a successful strategy for Architectural practices (refer to 1.2c). Johnson and Scholes (2002: 348) expressed the view that there are three main criteria that can be used to determine why some strategies might succeed better than others (refer to 1.4.5). These are:

a. Suitability
b. Acceptability
c. Feasibility.

Chapter 2 and Chapter 3 explored the question of whether a strategy to penetrate and develop new markets in other countries is a suitable one for South African Architectural practices. Furthermore, it was indicated that various firms have introduced such a strategy and that the technology and methodologies that support such a strategy exist. This seems to indicate that such a strategy is both feasible and acceptable. This Chapter and the next Chapter will endeavour to confirm these indications by means of case studies conducted at three Architectural practices that have implemented such a strategy.
To this end this Chapter will firstly justify the methodology chosen to confirm the acceptability and feasibility of such a strategy. Thereafter, it will compile the case study protocol including questions that each case study will seek to answer and provide information on the firms that will form the subjects of the investigation. Chapter 5 will report on the outcomes of the investigations.

4.2 RESEARCH DESIGN

Case study research refers to the processes that consist of the collection and presentation of specific information about a particular exponent, for example, participant or small group. Furthermore it frequently includes the accounts of the subjects themselves (Writing Centre at Colorado State University [writing@CSU], 2004). This Centre contends that case study research is a form of qualitative descriptive research. According to them, “case study research looks intensely at an individual or small participant pool, drawing conclusions only about that participant or group and only in that specific context”. Researchers doing case study research normally do not focus on or attempt the discovery of a universal, generalizable truth, nor do they look for ‘cause-effect’ relationships., Instead emphasis is placed on exploration and description (writing@CSU, 2004).

Myers (1997) holds that case study research is the most frequently used qualitative research method developed in the social sciences and that it was developed to allow researchers in this field a means to investigate social and cultural phenomena.
Kathleen Eisenhardt (2002) describes the case study method of research as a research strategy "which focuses on understanding the dynamics present within single settings". Yin (2003:1) states that the case study is used to "...contribute to our knowledge of individual, organisational, social, political or related phenomena". He continues by referring to the COSMOS Corporation's contention that case study research seeks to answer research questions that explore 'how' and 'why' a contemporary event occurs when behavioural events need not be controlled (2002:5). The same authors also state that if the research study seeks to answer research questions that explore 'how' and 'why' a contemporary event occurs when behavioural events need to be controlled, the conducting of an experiment or experiments would be the appropriate methodology. Surveys however are used when the research study seeks to answer research questions dealing with 'who', 'what', 'where' 'how many', how much', etcetera a contemporary event occurs, when behavioural events need not be controlled. In contrast, archival analysis is the strategy of choice when the research study seeks to answer questions dealing with 'who', 'what', 'where' 'how many', how much', etcetera a contemporary or historical event occurs or occurred when behavioural events need not be controlled. Finally they regard that historical studies are the appropriate strategy if the aim is to explore 'how' and 'why' a historical event occurred when behavioural events need not be controlled.
Yin also states (2002: 13-14) that a case study is an empirical inquiry that:

a. “Investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not really evident”.

b. “Copes with a technically distinctive situation in which there will be many more variables of interest than data points. Thus, as a result the investigation relies on multiple sources of evidence, with data needing to converge in a triangulating fashion. Similarly, it benefits from the prior development of theoretical propositions to guide data collection and analysis”.

Thus, according to him, case study research is not merely either a data collection tactic or design feature, but that it does represent a comprehensive research strategy (2002: 14).

What then is the nature of the problem under investigation? Section 1.1 stated that the study will investigate the reasons why selected South African Architectural practices decided, to globalise, how this decision was reached, implemented and how successful the decisions were. If this statement is analysed it is clear that the research seeks to answer research questions that explores ‘how’ and ‘why’ a contemporary event occurs when behavioural events need not be controlled. Thus, in terms of the criteria set by Yin (2002:5), case study analysis represents the appropriate research methodology for this investigation.
Furthermore the problem that is being investigated, aligns perfectly with Schramm’s contention (cited by Yin, 2002:12) that:

"The essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result".

It also corresponds with Cano’s (undated) statement that case studies are often used whenever the impact of a particular practice or policy is being investigated. Yin (2002: 32) holds that case study analysis should be used to, by way of what he calls ‘analytic generalisation’, compare a previously developed theory with the empirical results of the case study. Thus, it can be concluded that case study analysis represents the appropriate research methodology for this investigation because it needs to confirm the theory that a globalisation strategy potentially is an appropriate one for South African Architectural practices before attempting to uncover how some of these practices introduced this strategy and how successful they has been.

The next question then is which type of case study investigation would be the appropriate one for this investigation. Yin (2002: 40) divides case study investigations into four distinct types on the basis of their firstly being ‘holistic’ or ‘embedded’ and secondly on their being single case or multi-case designs.

Holistic case studies are studies that investigate only the global nature of an organisation, phenomenon or a program while embedded case studies investigate
an organisation, phenomenon or organisation on the basis of several units of analysis even if it is a single case study (Yin, 2002: 42). Furthermore, single case investigations are indicated only when the case represents a critical test of existing theory, a rare or unique circumstance, a representative or typical case, in situations where the case study serves a revelatory function or if the case serves a longitudinal function (same case study carried out at different points in time).

Multiple-case investigations are studies made up of several individual case studies. Thus, this investigation falls in the embedded category because it will investigate a phenomenon as it relates to a profession, on the basis of a number of case studies, conducted at the level of individual practices. This decision is based on the premise that the evidence collected via multiple cases, often is considered more compelling and the overall study more robust (Herriott and Firestone cited by Yin, 2002: 46). Cano (undated) concurs by indicating that the individual cases will provide the study with a better understanding of a phenomenon. Michael, John, Chad and Pat (2002) found that multiple-case studies follow replication logic and ensure construct validity.

Thus, because the studies will be used to test the validity of the indications, arrived at as part of the literature study conducted in previous Chapters, it is clear that the multiple-case embedded type of investigation is the appropriate one to use. Therefore, the investigation will consist of three individual cases, investigating a phenomenon as it applies to a larger unit, the South African Architectural Profession in a way that will provide for the verification of results via triangulation.
thereby enhancing the validity of the findings. However, because it is unlikely that all the indications from each study will be the same, the degree to which they coincide will provide an indication of the degree to which it can be universalised. Furthermore, interviews were chosen as the most appropriate method of data collection. This decision was based on the nature of the information sought and for practical reasons such as the unlikelihood of gaining access to financial statements and other documents.

4.3 CASE STUDY SITES

Three Architectural practices were selected on the basis of a combination of size and age and also to cover the major South African business centres. The combination of size and age was used as basis because it can be regarded as an indicator of the business and managerial acumen of the firm. This was done because of the nature of the problem under investigation and in order to ensure the validity of the results of the investigation.

The firms that were selected are:

4.3.1 Louis Karol

Louis Karol Architecture, Engineering and Interiors was established in 1952 in Cape Town. A branch office was opened in Johannesburg in 1979 (Louis Karol [L K], 2004). The firm comprises 11 Partners and 3 Associate Partners. The firm is
divided into four sections namely Architecture, Engineering, Interiors and Outsourcing.

The firm has been responsible for many of Cape Town’s landmark buildings such as the Cape Sun, Golden Acres Centre, Cape Town International Airport, Holiday Inn Waterfront and Shell House.

In 2000 Louis Karol foresaw the potential of providing, on an outsourcing basis, Architectural and Engineering services to firms in the United Kingdom. Since then the firm has provided this service to eight British Architectural practices. Services include detail design, working drawings and production information (LK, 2004).

4.3.2 Bentel Associates International

According to Bentel Associates International (undated), this Architectural practice was started in 1960 and has over time developed into a multi-disciplinary design company. The focus of the firm is on commercial buildings with a particular emphasis on retail centres particularly internal mall shopping centres. They regard their principal aim, in both design and construction, to be “the production of buildings of high aesthetic value and quality in design within the limitations of time and budget” (Bentel Associates International, undated).

Their head office is in Johannesburg with branch offices in Cape Town, Dubai and Mumbai. The firm offers Architectural services that include project concept development, property development consulting and master planning. It also has

The firm's South African staff complement stands at approximately 120 persons with a top management made up of nine directors. Major recent projects include the Michelangelo Towers, Sandton Square and Montecasino Leisure and Casino Complex in Johannesburg and the Canal Walk Shopping Centre in Cape Town. Internationally, the firm has been involved in the design of the Al Harthy complex in Muscat, Oman, the Tahilia Shopping Complex in Riyadh, Saudi Arabia, Inorbit Mall, Centre Raja Bahadur City, Metropolitan Mall and Khyber Pass Mall in Delhi as well as developments elsewhere in the Middle East and Eastern Europe (Bentel Associates International, undated, Architectafrica.com, 2003).

4.3.3 Stauch Vorster Architects (Durban)

Stauch Vorster Architects (2004) informs that the firm was established in 1943 and has since grown into a large national and international Architectural practice. Nationally, the firm has four regional offices in Johannesburg, Cape Town, Port Elizabeth and Durban.

The firm focuses on Architecture and Urban Design while providing additional services such as Research, Evaluation, Master Planning, Interior Design and Project Management services. It is one of the largest practices in South Africa and
has won awards for numerous projects. They employ more than 100 technical and managerial staff members.

Stauch Vorster (Pty) Limited is the umbrella company with each of the four regional offices registered as a limited liability company with shareholding in the hands of local directors. In addition the firm has a wholly owned affiliate, Stauch Vorster Architects International. This affiliate undertakes work outside South Africa, primarily in sub-Saharan Africa and the Middle East. Close collaboration exists on an on-going basis between all offices.

This case study will focus on their Durban office. The office is under the direction of Ivor Daniel and employs 21 persons. It has a branch office in Dubai from where commissions in the Middle East are procured. The Dubai office serves merely to give them a local presence and to undertake design management and quality assurance functions. All design and production functions are performed in Durban.

4.4 CASE STUDY PROTOCOL

Yin (2002:67) describes the case study protocol as a combination of the instrument (questionnaire), the procedures and rules to be followed. It acts as the investigator's standardized agenda for the inquiry. According to him, the use of a protocol is one way of increasing the reliability of a case study investigation.
The questions that will be posed during each study were chosen on the basis of the need for a logical progression, the problem and sub-problems being investigated (refer to 1.1 and 1.2), the hypothesis, general goal and objectives of the investigation (refer to 1.3) and the results of the literature study undertaken in the preceding chapters.

The protocol for each study will be as follows:

4.4.1 Introduction

A brief introduction outlining the following:


b. Research objectives

c. Hypothesis.

d. Results of literature study.

4.4.2 Case study questions

The following questions were compiled for use as part of a general but guided conversation (Yin, 2002:89). Responses to be recorded in writing.

a. Description of the firm. Number of partners, employees, age of firm, branch offices, etc.

b. What form does your international involvement take?

c. How long have you been involved with this type of endeavour?

d. What portion of your total activity does this represent?

e. How many people are involved in this on a full time basis?
f. Does your firm do regular strategic planning?

g. If not, why not?

h. If yes, what form does it take?

i. Was the decision to globalise taken as a result of this process?

j. What were the indicators that this might be a successful strategy?

k. How was the strategy implemented?

For firms 'involved in outsourcing of production:

l. How did you identify your collaborators and how did you reach agreement on a collaboration protocol?

m. What is the basis of your collaboration: Is it a continuous relationship or does it operate on an 'ad hoc' basis?

n. What hardware and software are you using as part of this venture?

o. Do you subscribe to ISO 9001 or another quality assurance system?

p. If not, how is quality controlled?

q. What are the generic types of problems that are being experienced?

r. How profitable has it proven to be?

For firms that established branch offices overseas:

s. Why did you choose to globalise in this way?

t. How did you identify the countries and cities where you established overseas offices?

u. How many overseas offices do you have?

v. How do you procure work for these offices?
w. How profitable has the venture proven to be?

x. Does your South African operation benefit from it?

4.4.3 Closure

a. Thanks

b. Results of investigation.

4.5 ANALYSIS

The results of the individual case studies and the data to be analysed, will be reported comprehensively in the following chapter. The data will then be analysed as suggested by Miles and Huberman (cited by Yin, 2002: 110) and according to Yin’s suggestion (2002:111), on the basis of the frequency of the various corresponding responses. The results of this analysis will then be compared to the sub-problems being investigated (refer to 1.1 and 1.2), the objectives of the investigation (refer to 1.3) and the acceptability and feasibility of a globalisation strategy as highlighted by the Introduction (4.1) to this Chapter. Finally, the results will be compared with the hypothesis that is being tested before drawing final conclusions and the making of corresponding recommendations.

4.6 CONCLUSION

This chapter provided the justification for methodology chosen for this investigation. In doing so it was established that the multiple-case embedded type
of investigation is the appropriate one to use. Therefore, it was decided that the investigation would consist of three individual cases, investigating a phenomenon as it applies to a larger unit, the South African Architectural Profession in a way that will provide for the verification of results via triangulation thereby enhancing the validity of the findings.

Thereafter it identified the sites where the individual case studies will be conducted. It also compiled the protocol that will be used for the investigation and set out the procedure that will be used for the evaluation and analysis of the results of the individual case studies. The analysis that will form part of the next chapter will be used to establish whether globalisation presents a suitable, feasible and acceptable strategy for South African Architectural practices.
CHAPTER 5

CASE STUDY RESULTS AND ANALYSIS

5.1 INTRODUCTION

This Chapter will firstly report the results of the studies undertaken. Thereafter the reports will be analysed, compared and evaluated (as indicated under 4.5). The methodology used for this analysis will be that suggested by Miles and Huberman (cited by Yin, 2002: 110). The methodology requires that the frequency of the various corresponding indications be established. These should then be used to analyse the responses. From the analysis certain conclusions will be drawn specifically about the extent to which globalisation presents a suitable, feasible and acceptable strategy for South African Architectural practices, the focus of the second and third sub-problems (refer to 1.2c).

5.2 LOUIS KAROL

The persons who were interviewed were Louis Karol (Chief Executive Officer) and Allan Blair (Technical Director).

The interviews took place during a visit to the practice on 2004.07.07
Responses:

a. *Description of the firm. Number of partners, employees, age of firm, branch offices, etc.*

As stated in 4.3.1, Louis Karol Architecture, Engineering and Interiors was established in 1952 in Cape Town. A branch office was opened in Johannesburg in 1979. The firm comprises 11 Partners and 3 Associate Partners.

b. *What form does your international involvement take?*

Outsourcing of detail design, preparation of working drawings and contract (production) documentation.

c. *How long have you been involved with this type of endeavour?*

Since 2000.

d. *What portion of your total activity does this represent?*

It varies from time to time but it forms a substantial and significant portion of the firm’s activities.

e. *How many people are involved on a full time basis?*

Approximately 13 people or 30 percent of the firm’s documentation staff.

f. *Does your firm do regular strategic planning?*

No

g. *If not, why not?*

According to Mister Karol, he and his partners, continuously have their ‘radar’s’ tuned to ‘what is happening out there’. Thus strategic proposals are discussed on a continuous basis.
h. If yes, what form does it take?

Not applicable.

i. Was the decision to globalise taken as a result of this process?

It was taken as a result of commissions for local work becoming scarcer and a realisation that British firms wish to limit the size of their operations in order to restrict operating costs.

j. What were the indicators that this might be a successful strategy?

Experience of managing a successful Architectural practice coupled to the knowledge that a shortage of technical skills existed in the United Kingdom.

k. How was the strategy implemented?

Eitan Karol (Director: International Projects) marketed the firm and the services they offered to British firms via letters and personal visits.

l. How did you identify your collaborators and how did you reach agreement on a collaboration protocol?

Firms that responded positively to the actions outlined above were accepted as 'collaborators'. Terms of agreement were reached by negotiation.

m. What is the basis of your collaboration: Is it a continuous relationship or does it operate on an 'ad hoc' basis?

Normally on an ‘ad hoc’ basis. However the firm has received repeat appointments from some British firms.

n. What hardware and software are you using as part of this venture?

Latest versions of AutoCAD software on appropriate personal computers linked to form a 'Local Area Network'. Drawings are transferred with the use of a FTP facility.
o. **Do you subscribe to ISO 9001 or another quality assurance system?**
   No.

p. **If not, how is quality controlled?**
   Quality standards are based on the firm’s extensive experience coupled to the needs and requirements of each ‘collaborator’.

q. **What are the generic types of problems that are being experienced?**
   Communication with their British counterparts and the prevention of the use of ‘out of date’ information. Differences in construction methods did pose initial but less serious problems.

r. **How profitable has it proven to be?**
   Only ‘moderately’ profitable.

Pertinent general comments made during the interview included:

- South African Architects can easily ‘hold their own’ in international competition.
- The firm has been involved in the design of projects in the Middle and Far East but has experienced problems in their dealings with clients in these areas.
- They have undertaken design work as part of their outsourcing activities.
- Costs associated with this venture are high since trips to England have to be undertaken on a regular basis.
- Their South African operation has benefited from the transfer of knowledge and from being able to provide more stimulation to employees.
5.3 BENTEL ASSOCIATES INTERNATIONAL

The person interviewed was Mister Edmund Batley, the Director of the firm most involved with their overseas operations. The Interview took place on 2004.07.14 at their Head Office in Sandton (Johannesburg).

Responses:

a. Description of the firm. Number of partners, employees, age of firm, branch offices, etc.

This practice was started in 1960 and has over time developed into a multi-disciplinary design company. The firm’s South African staff complement stands at approximately 120 persons with a top management made up of nine directors (refer to 4.3.2).

b. What form does your international involvement take?

The concept design of retail developments in the Middle East, Eastern Europe and the Indian sub-continent. Design development, production documentation and construction supervision are undertaken by local partners in a 'joint venture' arrangement that covers the entire project. The firm is not involved in the outsourcing of production drawings.

c. How long have you been involved with this type of endeavour?

Since 2000.

d. What portion of your total activity does this represent?

Between 30 and 40 percent.
e. How many people are involved in this on a full time basis?

Between 36 and 50 persons.

f. Does your firm do regular strategic planning?

No.

g. If not, why not?

The situation in Architectural practice is too unpredictable and firms cannot make long term plans.

h. If yes, what form does it take?

Not applicable.

i. Was the decision to globalise taken as a result of this process?

No. It was taken because of the decline in prospects available in South Africa.

j. What were the indicators that this might be a successful strategy?

Mister Batley had just returned to South Africa from Europe and Singapore where he worked for a period of two years. He was aware of the growth and development that was taking place in these areas and had built up a considerable network of contacts.

Bentel and Associates had considerable skills, resources and experience in the design of commercial developments.

k. How was the strategy implemented?

Incrementally, as ‘joint venture agreements’ with local Architectural Practices. The strategy is to let their involvement in new geographic areas develop as and when opportunities arise and as capacity allows.
Because the firm established a branch office overseas

s. Why did you choose to globalise in this way?

Because of the firm’s specialist expertise, knowledge and resources in a field where many new developments were occurring in developing countries.

t. How did you identify the countries and cities where you established overseas offices?

Through the contacts established during Mister Batley's period of work in these countries and through existing networks with clients in the retail sector.

u. How many overseas offices do you have?

Two.

v. How do you procure work for these offices?

Through networks of contacts established in the retail development sector. In this process, the considerable size, experience and specialist knowledge held by the firm plays an important part. The firm has developed considerable graphic presentation skills that play an important role in their procurement efforts.

w. How profitable has the venture proven to be?

The venture remains a profitable one despite the recent strengthening in the value of the South African Rand.

x. Does your South African operation benefit from it?

Yes. The firm has learned to become more competitive and has been forced to improve their graphic and digital presentation capabilities. In addition the
A concomitant increase in stature and experience has improved their ability to deal and negotiate with local clients.

Pertinent general comments made during the interview included:

- That their expansion was based solely on expertise and not on low fees.
- Foreign offices were managed by South Africans with local persons employed for administrative and support functions.
- A permanent presence is essential in order to obtain appointments in those countries where the firm plans to operate.
- South African Architects are well trained and can compete on an international basis.
- It requires considerable resources to establish and maintain overseas operations.

5.4 STAUCH VORSTER ARCHITECTS (DURBAN)

The person interviewed was Ivor Daniel, Group Design and Marketing Coordinator, Group Director and Managing Director of Stauch Vorster Architects, Durban. The interview took place on 2004.07.13 at their offices in Durban.

Responses:

a. Description of the firm. Number of partners, employees, age of firm, branch offices, etc.
The firm was established in 1943 and has since grown into a large national and international Architectural practice. Nationally, the firm has four regional offices in Johannesburg, Cape Town, Port Elizabeth and Durban.

It is one of the largest practices in South Africa and has won awards for numerous projects. They employ more than 100 technical and managerial staff members (refer to 4.3.2).

b. *What form does your international involvement take?*

The firm has established a branch office in Dubai. Through this office they offer the full range of Architectural services to clients in Africa and the Middle East (particularly the United Arab Emirates). However, the office serves merely to give them a local presence and to undertake design management and quality assurance functions. All the design and production work is done in their Durban office. Previously the firm had been involved in doing ‘outsourcing’ work with an Irish firm but this was not very successful. They do perform design work on an ‘outsourcing’ basis for Middle Eastern Engineering firms with whom they have established close working relationships.

c. *How long have you been involved with this type of endeavour?*

Stauch Voster established its first overseas office in London in the early 1990s. The operation in the Middle East has been underway since 2000 when local prospects declined considerably.

d. *What portion of your total activity does this represent?*

Approximately 50 percent.
e. How many people are involved in this on a full time basis?
   Approximately 10 persons.

f. Does your firm do regular strategic planning?
   Yes.

g. If not, why not?
   Not applicable.

h. If yes, what form does it take?
   Firstly, brainstorming is done at local office level. Thereafter the results of
   the individual brainstorming sessions are combined and compared at a
   National level where a meeting of all Directors identify appropriate strategies
   for the next period. The implementation of the strategies identified at the
   National level is then undertaken by the local offices in the manner that they
   regard as the most suitable for that office.

i. Was the decision to globalise taken as a result of this process?
   Yes.

j. What were the indicators that this might be a successful strategy?
   Stauch Vorster as a national firm with five branch offices had built up
   considerable experience in the management of a firm on the basis of a
   'network of offices'. This knowledge and experience, coupled to their status
   as one of the world's biggest Architectural practices with considerable
   experience indicated that such a strategy might be a successful one.

k. How was the strategy implemented?
   Contact was established with various international practices during travels in
   the Middle East. However, the firm's involvement with the design of the
International Convention Centre in Durban led to an invitation to become involved in the design of a Convention Centre in Bahrain. This lead to the establishment of a branch office in Dubai.

Because the firm established a foreign branch office.

s. *Why did you choose to globalise in this way?*

Based on previous experiences with ‘outsourcing’ and the fact that the firm had a competitive advantage in its ability to operate and manage a ‘network of offices’

*t. How did you identify the countries and cities where you established overseas offices?*

Stauch Vorster as a national firm has an agreement that the Durban office must expand the theatre of their operations to East Africa, the Middle and Far East.

*u. How many overseas offices do you have?*

Only the Dubai office.

*v. How do you procure work for this office?*

In order to open an office in Dubai, one must have a ‘sponsor’. Their ‘sponsor’ acts as a ‘sleeping partner’ who is paid a certain ‘fee’ in return for which he would introduce the firm to influential persons who might be interested in using their professional services.

*w. How profitable has the venture proven to be?*

It has proven to be more profitable than ‘South African’ work, even despite the increase in the value of the South African Rand.
x. Does your South African operation benefit from it?

The firm has benefited by learning how to manage projects through digital communication and the use of the Internet. The nature of the projects undertaken also is more exiting than those performed locally, helping to motivate and retain staff.

Pertinent general comments made during the interview included:

- Considerable differences exist between the ways in which developments are perceived and managed in South Africa and the Middle East.
- Personal contact and having a physical presence is of critical importance.
- Indian Architectural Practices are very active in the area.
- South African Architects have design, technical and managerial abilities that are on a par with the best available. These skills must be exported.
- The way in which changes in the design brief are handled and administrated is very important.

5.5 ANALYSIS

In order to draw conclusions and make recommendations, it is necessary to compare the results obtained from the individual case studies. This will be done on a question-by-question basis.
The questions that were posed and the various responses (in summarised from) are:

a. *What form does your international involvement take?*

Only Louis Karol indicated that they are involved in the outsourcing of production work while Bentel Associates International have branch offices in two countries through which they produce concept designs that are executed through joint venture partners. Stauch Vorster Architects (Durban) has a branch office that is used for the procurement of work, for design development and quality control functions only.

Because each of the three firms have globalised in different ways, it is clear that there are a number of different ways in which Architectural practices can globalise.

b. *How long have you been involved with this type of endeavour?*

While Stauch Vorster Architects (Durban) indicated that they became involved in global practice in the early 1990s, all three firms indicated that they experienced a marked decline in work levels in 2000. This decline spurred them on to adopt such a policy.

Thus, because all three firms took the decision to introduce such a strategy at approximately the same time and for the same reasons, it can be concluded that the economic decline of 2000 led many of the firms that globalised to adopt such a strategy. Also, it is evident that the negative and
uncertain economic prospects that are a characteristic of South African Architectural practice played a major part in persuading firms to adopt such a policy.

c. *What portion of your total activity does this represent?*
Louis Karol reported that 30 percent of the firm’s documentation staff is involved in this activity, while Bentel Associates International indicated that between 30 and 40 percent of their staff are involved with this type of work. Stauch Voster Architects (Durban) indicated that 50 percent of their staff complement is employed to perform work that forms part of this strategy.

Therefore, because the indications from all three firms are substantially the same; that their global involvement has become a substantial portion of the work performed by these firms, it can be concluded that adopting this strategy can result in South African Architectural practices attracting a substantial amount of additional work.

d. *How many people are involved in this on a full time basis?*
At Louis Karol it is 13 persons, at Bentel Associates International it varies between 36 and 50 while at Stauch Voster Architects (Durban) there are 10 persons involved.

Thus, if these numbers are compared to the size of the average Architectural practice (SAIA, 2001: 1-5) it can be concluded that globalised practice has created a significant number of work opportunities for staff in this profession.
e. Does your firm do regular strategic planning?

   Stauch Vorster Architects (Durban) is the only firm that indicated that they regularly undertake strategic planning.

f. If not, why not?

   According to Louis Karol, their senior staff continuously have their ‘radars’ tuned to ‘what is happening out there’. Thus strategic proposals are discussed on a continuous basis. Bentel Associates International on the other hand believes that the situation in Architectural practice is too unpredictable and that firms therefore cannot make long-term plans.

   The fact that two out of the three firms do not regard formal strategic planning as essential elements of modern business practice is concerning. The fact that Stauch Vorster Architects (Durban), who does not agree with this view, was the first firm to identify the strategic opportunity provided by advances in communications technology supports this concern. Therefore it can be concluded that indications are that those South African Architectural practices that do not participate in such planning sessions should introduce regular formal strategic planning processes.

   g. If not, why not?

   Various responses. However none of the reasons offered were convincing.

h. If yes, what form does it take?

   Only Stauch Vorster Architects (Durban) replied in the affirmative. They do not follow a universally accepted format such as the ‘SWOT’ analysis.

i. Was the decision to globalise taken as a result of this process?
It was taken as a result of commissions for local work becoming scarcer and a realisation that British firms wish to limit the size of their operations in order to restrict operating costs.

**j. What were the indicators that this might be a successful strategy?**

Louis Karol indicated that experience at managing a successful Architectural practice coupled with the knowledge that a shortage of technical skills existed in the United Kingdom indicated a potentially successful strategy.

Bentel Associates International indicated that Mister Batley had just returned to South Africa from Europe and Singapore where he worked for a period of two years. He was aware of the growth and development that was taking place in these areas and had built up a considerable network of contacts. Furthermore, Bentel and Associates had considerable skills, resources and experience in the design of commercial developments. To them these were the indicators of a potentially successful strategy.

Stauch Vorster indicated that as a national firm with five branch offices with considerable experience in the management of a firm on the basis of a ‘network of offices’ and the fact that they already employed the latest information and communications technology coupled with their status as one of the world’s biggest Architectural practices with considerable experience indicated that such a strategy might be a successful one.

**k. How was the strategy implemented?**
Louis Karol indicated that Doctor Eitan Karol (Director: International Projects) marketed the firm and the services they offered to British firms via letters and personal visits.

Bentel Associates International indicated that it was implemented incrementally, as 'joint venture agreements' with local Architectural Practices. The strategy is to let their involvement in new geographic areas develop as and when opportunities arise and capacity allowed.

In the case of Stauch Vorster Architects (Durban), contact was established with various international practices during travels in the Middle East. However, the firm's involvement with the design of the International Convention Centre in Durban led to an invitation to become involved in the design of a Convention Centre in Bahrain. This lead to the establishment of a branch office in Dubai.

From the foregoing it can be concluded that different and divergent implementation plans were followed.

For firms involved in 'outsourcing of production':

Louis Karol is the only firm out of the three selected that is involved in this form of globalised involvement. While this might impact on the transferability of their responses, the stature of the firm does add considerable weight to the indications
uncovered. Taken together, their answers (refer to 5.2 k-q) indicate that personal 
contact was used to introduce the firm to potential collaborators whereafter the 
terms and conditions of the collaborative project was determined by personal 
negotiation. However most engagements are on an ‘ad hoc’ basis and quality is 
controlled by negotiation and interpersonal communication. The firm indicated that 
the communication process represents the major stumbling block and that it is only 
‘moderately’ profitable. When compared to the responses from both Bentel 
Associates International and Stauch Vorster Architects (Durban), both firms with 
foreign offices, indicating that they had found a permanent local presence to be of 
vital importance (refer to 5.3 and 5.4), it can be deduced that a need exists for a 
continuous presence in the countries with which collaborative ventures are 
undertaken.

For firms that established branch offices overseas:

s. Why did you choose to globalise in this way?

Bentel Associates International indicated that it was because of the firm’s 
specialist expertise, knowledge and resources in a field where many new 
developments were occurring in developing countries, while Stauch Vorster 
Architects (Durban) indicated that it was based on their having built up 
considerable experience in the management of a firm on the basis of a 
‘network of offices’. This knowledge and experience, coupled with their 
status, as one of the world’s biggest Architectural practices has become their 
core-competency.
Because both firms' indication that knowledge and experience were of major importance in deciding on these endeavours, it can be concluded that knowledge management and the leveraging of skills acquired in the home country can be important aspects for firms deciding to expand in this way. It will also affect the likelihood of success.

t. How did you identify the countries and cities where you established overseas offices?

Bentel Associates International indicated that it was due to contacts established during Mister Batley's period of work in these countries and through existing networks with clients in the retail sector. Stauch Voster Architects (Durban) stated that it was through contacts made during travels in the area. Thus, in both cases, personal contacts and networks played an important role in the identification of suitable countries.

u. How many overseas offices do you have?

Bentel Associates International has two offices while Stauch Vorster Architects (Durban) has one.

Considering the relatively small number of branch offices reported, together with the fact that both firms only embarked on this venture in 2000 leads to the conclusion that scope exists for further expansion into other markets.

v. How do you procure work for these offices?

Bentel Associates International indicated that they procure work through networks of contacts established in the retail development sector. In this
process, the considerable size, experience and specialist knowledge held by the firm plays an important part. The firm has developed considerable graphic presentation skills that play an important role in their procurement effort. Stauch Vorster Architects (Durban) indicated that their ‘sponsor’ played an important role in this regard.

Thus it is concluded that a firm’s standing, knowledge base and local contacts played a very important role in this regard.

w. How profitable has the venture proven to be?

Both firms concurred that it is more profitable than ‘South African’ work, even despite the recent increase in the value of the South African Rand.

x. Does your South African operation benefit from it?

Bentel Associates International indicated that the firm has learned to become more competitive and has been forced to improve its graphic and digital presentation capabilities. In addition the concomitant increase in stature and experience has improved their ability to deal and negotiate with local clients. Stauch Vorster Architects (Durban) indicated that the firm had benefited by learning how to manage projects through digital communication and the use of the Internet. The nature of the projects undertaken is also more stimulating than those performed locally, helping to motivate and retain staff. Louis Karol concurred with this last point but added that they benefited by gaining knowledge and experience. Thus all three firms agreed that the development was having a positive influence on their South African operations thereby providing strong support to the value of this conclusion.
5.6 CONCLUSION

The analysis contained in the previous section led to a number of conclusions. The first of these are that there are a number of different ways in which Architectural practices can globalise. It also found that the economic decline of 2000 led many of the firms to adopt such a strategy.

Furthermore it was found that the adoption of such a strategy can result in South African Architectural practices attracting a substantial amount of additional work and that it can result in the creation of a significant number of work opportunities for staff in this profession. Strong evidence was found that it is very advantageous for firms who wish to introduce such a strategy to have a continuous presence in the countries with which collaborative ventures are undertaken.

In addition to the above it was found that knowledge management and the leveraging of skills acquired in the home country can be important aspects in the decision to expand in this way and on the chances of success. Furthermore, it was found that personal contacts and networks played an important role in the identification of suitable countries and that scope exists for further expansion into other markets.

Finally, it found global work to be more profitable than South African work, even despite the recent increase in the value of the South African Rand. In addition it
was found that these ventures are having a positive influence on the firms’ South African operations.

All of the above, together indicate that a globalisation strategy presents a suitable, feasible and acceptable strategy for South African Architectural practices. However, a disconcerting element was the fact that there are strong indications that South African Architectural practices do not realise the potential benefits inherent in regular strategic planning.
6.1 INTRODUCTION

In this Chapter the conclusions drawn in the previous Chapters will be compared to
the sub-problems being investigated (refer to 1.1 and 1.2) and the main problem
identified for this investigation. Thereafter the way in which the objectives of the
investigation (refer to 1.3) were achieved will be discussed.

Finally, the results will be compared with the hypothesis that is being tested in
order to draw the final conclusions for the investigation.

6.2 COMPARISON WITH SUB-PROBLEMS

This study investigated the reasons why selected South African Architectural
practices decided, via virtual relationships, to globalise, how this decision was
reached and implemented and how successful the decisions were.

In developing a research strategy to deal with and solve the main problem, the
following sub-problems were identified:

   c. Do historical and practical reasons exist for South African Architectural
      practices to consider a globalisation strategy?
   
   d. What were the processes and indicators that lead those firms to do so?
e. Has globalisation proven to be a successful strategy for Architectural practices?

The first sub-problem was the focus of Chapters Two and Three. Chapter Two (refer to 2.5) concluded that the story of Architecture in South Africa is characterised by expanding international trade and the 'materialisation' of colonial, financial and/or political dominance, with 'global' expansion being a new, but evolutionary development. Furthermore it found that the profession is well regulated, it maintains close links with the international community of Architects and seeks to uphold standards that are at internationally accepted levels.

However, in spite of the fact that conditions have improved with the general upturn in the economy, fundamentally it suffers from certain endemic problems (refer to 2.4). These problems include dramatically fluctuating work levels and low fee and income levels, fragmentation of practices with bigger practices breaking-up to form smaller practices. These smaller practices are no longer able to provide the range of skills required for large projects. In addition many newly trained architects are lost to overseas practices with a concomitant loss of the money invested in their training by the state and others. The situation is exacerbated because fees payable by Private Sector clients remain outstanding for unacceptably long periods. Coupled to the instability that exists in the Construction Industry, these tendencies are having a severely negative impact on the cash-flow situation of practices. It also found that disconcertingly high spare capacity existed in the profession.
While the current upswing in the economy has improved some of these aspects, the case studies carried out found that there are still a variety of economic (and other) reasons why it is beneficial to practice on a global scale (refer to 5.5).

Chapter Three (refer to 3.8) showed that South African Architectural practices have benefited from both the globalisation of markets and the globalisation of production and have the potential to expand its participation in the global Architectural services trade. Furthermore it found that the benefits of such collaborative ventures are that the local Architectural profession can gain financially and experience smoother cash and work flows.

The case studies conducted confirmed that ‘globalisation of activities’ could address some of the current problems highlighted by the previous paragraphs. There is also the additional benefit (confirmed by the case studies conducted; refer to 5.5) that can be derived from skills transfer and capacity development, particularly the capacity to serve foreign markets thereby improving its future prospects. In addition the case studies found that these ventures have created a significant number of employment opportunities for local Architectural staff.

However, it was also found that practices should not venture into this sphere unless they are well prepared for it. The investigation into virtual collaboration, the mechanism that has enabled this form of practice, has highlighted many problems and that the infrastructure required by this form of practice is expensive. Therefore, as the case studies confirmed, larger practices will be the only ones that have the
resources to expand in this way (refer to 5.5). At the same time it must be considered that the local market will be increasingly exposed to involvement by foreign firms and that firms must not lose sight of the dangers of domination and exploitation.

Thus, it can be concluded that the strategic position of South African Architectural practices is one where practical and historical reasons exist for the profession to embark on a globalisation strategy.

In investigating the second sub-problem, it was confirmed that the indicators uncovered by the theoretical study (Chapters Two and Three) were the ones that lead the firms studied to expand their activities in this way (refer to 5.5). In particular it was found that the economic decline of 2000 lead many of the firms to a globalisation strategy. In addition it was found that knowledge management and the leveraging of skills acquired in the home country can be important aspects in the decision to expand in this way and have an impact on the likelihood of success. Furthermore, it was found that personal contacts and networks played an important role in the identification of suitable countries and that scope exists for further expansion into other markets.

However, a disconcerting element was the fact that there are strong indications that South African Architectural practices do not realise the potential benefits inherent in regular strategic planning.
In investigating the third sub-problem, Chapter Five (refer to 5.5) showed that there are a number of different ways in which Architectural practices can globalise. Furthermore it revealed that the adoption of such a strategy can result in South African Architectural practices attracting a substantial amount of additional work and that it can result in the creation of a significant number of work opportunities for staff in this profession.

From a financial perspective, it was discovered that global work is more profitable than South African work, even despite the recent increase in the value of the South African Rand. In addition it was found that these ventures are having a positive influence on the firms' South African operations.

All of the above, read together, indicate that a globalisation strategy presents a suitable, feasible and acceptable strategy for South African Architectural practices. Therefore it can be concluded that for the Architectural practices studied, globalisation has proved to be a successful strategy. However, it is not certain that this indeed is the case for all, or the majority of South African Architectural firms who endeavoured to pursue such a strategy. This aspect can form the basis of further research.

6.3 COMPARISON WITH MAIN PROBLEM

The purpose of this study (refer to1.1) was to determine the reasons why selected South African Architectural practices decided, via virtual relationships, to globalise,
how this decision was reached and implemented and how successful the decisions were.

It found that a variety of practical and financial reasons existed (and continue to exist) for Architectural practices to adopt such a strategy (refer to 6.2). However, it should be noted that these reasons could be categorised both as ‘strengths’ and ‘weaknesses’ as highlighted in section 3.8.

Furthermore it found that the decision to globalise, in most cases, was made on the basis of a need to avoid an impending crisis and not on the basis of a regular formal strategic planning process.

The firms studied implemented this strategy in different ways. One firm undertook the production of contract documentation for British firms of Architects while the other two firms were leveraging their knowledge and specialist experience. However, as Chapter Five highlighted, the firms’ size, standing, experience and financial strength, in all three cases, were critical to the successful implementation of such a strategy.

Regardless of how the strategy was implemented by the firms studied, it thus far, has proven to be a successful one.
6.4 ACHIEVEMENT OF OBJECTIVES

The goal of this investigation (refer to 1.4.1) was to determine the strategic position of South African Architectural practices, the reasons and processes that led selected Architectural practices to come to the decision to globalise, to investigate how these decisions were implemented, how global practices operate and how profitable the decisions have proven to be. These aspects were studied on the basis of the five secondary research objectives listed under 1.3.2.

In sections 2.4 and 3.7 the strategic position of South African Architectural practices was investigated. It was found that the South African Architectural profession is one that has the potential to globalise and that a globalisation strategy can address some of the current problems experienced by the profession.

The reasons and processes that led selected Architectural practices to come to the decision to globalise were investigated in Chapter Five. From the responses gathered as part of the case studies undertaken it is clear that a shortage of work, caused by a fluctuating economy was the main motivator behind the decision to expand in this manner. However, the decisions in most cases were made on the basis of 'crisis management' and not because of regular formal strategic planning processes.

As far as the ways in which the decisions were implemented are concerned it was found (refer to Chapter Five) that different methods were used by each of the firms studied. It would appear though, that the opening of one or more branch offices is a
common method. In addition, the firms’ knowledge base experience and ‘contacts’ played an important role in procuring work in the new region. Furthermore, the studies undertaken have shown that global practices operate in a variety of ways as no commonalities were found.

Finally, as has already been reported, all three of the firms studied indicated that these endeavours have proven to be profitable. Thus it can be concluded that this goal has been achieved.

6.5 COMPARISON WITH MAIN HYPOTHESIS

The investigation tested the following hypothesis (refer to 1.3.3):

The histories of South African Architecture and international trade are intertwined. Therefore a globalisation strategy is a natural development that offers a profitable opportunity for Architectural practices and that those firms that can be regarded as the ‘first movers’ have achieved this advantage by implementing strategic planning processes and subsequently gained significantly from it.

From the above it should be clear that the hypothesis has been proven to be only partially correct. The investigation found (refer to 5.4) that only one out of the three firms studied, achieved the advantage because of regularised formal strategic planning processes. Significantly, this is the firm that first identified the potential inherent in adopting such a strategy.
6.6 CONCLUSION

Expanding their services to other countries as part of a concerted business strategy represents an acceptable and profitable strategy for South African Architectural practices. Such a strategy can help them overcome many of the problems that continue to plague the profession. However, implementing such a strategy requires significant resources. The fact that the tendency for larger practices to break up into smaller practices, means that fewer and fewer firms will be in a position to implement such a strategy.

Hence, they will not be in a position to bring the rewards of increased income, increased knowledge and experience and the creation of additional employment opportunities to the South African economy. Therefore, it has become important that steps should be introduced to reverse this tendency.

In addition, the profession's existing strengths should be honed and developed further in order that it may compete effectively, not only in foreign markets, but also against foreign practices that wish to establish branch offices in this country. While the next Chapter will make certain recommendations in this regard, Architects should also consider how they themselves could play a role in this regard. The introduction of accepted current management processes such as regularised formal strategic planning, is but one such an improvement.
CHAPTER 7

RECOMMENDATIONS

7.1 INTRODUCTION

Based on the findings of the investigation and in order to expand the advantages associated with this type of strategy, this chapter will make recommendations that can assist Architectural practices who have accepted a globalisation strategy or who are considering such a strategy. Also included will be recommendations for steps that can be taken by Government and professional organisations to provide support in this regard. It will also make recommendations regarding areas for further research into this and related topics.

7.2 GENERAL RECOMMENDATIONS

The following recommendations are made to assist firms wishing to expand their field of operation by following a strategy of globalisation:

a. Such a strategy should be based on specialist knowledge or experience.

b. An office to provide a local presence will greatly enhance the chances of success.

c. Use formal strategic planning processes as a control measure to ensure that such a strategy is an appropriate one and to identify the countries to which the firm plans to expand its services.
Government should recognise that firms expanding in this manner hold specific (albeit on a limited scale) advantages for the national economy. Thus government should create the conditions that will allow more firms to build up the size and specialist knowledge that will enable them to institute such strategies. To this end, ‘smoothing’ the flow of work for Architects will help reverse the tendency for firms to break-up into smaller and smaller units without any chance to build up specialist knowledge.

The Institute of South African Architects and the South African Council for the Architectural Profession should bring the advantages uncovered by this investigation to the attention of their members. In addition they should ensure that their members are imbued with the general and specific managerial skills required for this type of strategy. This should be done either as part of their ‘Professional Development Programmes’ or as part of the formal curricula of courses at Universities. Specific attention should be paid to the need for, and advantages of, regular formal strategic planning sessions.

7.3 RECOMMENDATIONS FOR FURTHER STUDY

The following topics are recommended for further investigation:

a. How many South African Architectural practices have introduced, or attempted to introduce such a strategy and how many have done so successfully?

b. What can be regarded as the ‘critical success factors’ for such a strategy?
c. What is the nature of the work and the magnitude of the fees involved?

d. What are the patterns of work undertaken?

e. What are the cultural, technological and environmental implications of globalisation in this field?
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