You’ve worked hard, led successful projects, made good connections in the industry, and gained the trust of your superiors. Now comes the payoff—an invitation to become a principal in your firm. While this might seem like the culmination of a lifelong ambition, what does it really mean? How should you approach the opportunity? What are the upsides (and the downsides) of stepping into this new role? The answers are more complicated than you might think.

Becoming a principal entails taking on new responsibilities and learning how to do certain things that you may not (yet) be very good at. It can mean putting yourself at risk, both financially and professionally, especially if ownership is part of the equation. It means changing your working relationships with your peers—both inside and outside the firm. It means worrying about things that you formerly took for granted (such as making payroll, for starters). In a sense, it’s like becoming a parent for the first time, because you are now responsible for a lot of other people. The world suddenly looks a lot more complicated. If all this sounds a little bit scary, it should.

At the same time, becoming a principal will open new doors. You will be able to exert influence and leadership in new ways. You will have a hand in shaping the future of the firm—the kinds of projects you will pursue and how they will get staffed and produced. You will have an opportunity to share in the profits (if the firm is profitable) and perhaps also the losses (if it is not). Still interested? Good. Here are some things to keep in mind:

1. **Assess the deal objectively.** It is very important to understand that becoming a principal is first and foremost a business transaction, and most architects are not trained in what it really takes to run a business. Every firm has unique terms and conditions for becoming a principal. In some, it’s primarily about title, but in others, it entails legal ownership. Either way, you will want to know what you are getting into.

   You should carefully review the firm’s past financial statements, the relevant partnership agreements (especially with regard to liability issues), and how executive decisions get made. It’s always a good idea to consult a lawyer so you understand the structure of the deal and what your ultimate exposure will be. Bear in mind that as the newcomer to the table, you will wield relatively little power at first. You may have been invited aboard the ship, but you still must earn your keep, and it can easily take a year or two before you are fully vested, both financially and in executive decision-making.

   When you buy into a business, you are essentially investing in a future stream of earnings. How solid are the firm’s prospects? Are there external or internal factors (such as legal
issues or an impending retirement) that may affect success going forward? How will your new role meaningfully advance the mission of the firm?

2. **Prepare to work harder.** It is likely that your invitation to become a principal is based on exemplary project work. Good for you. As a new owner, you will have to keep that up but also do a lot more. This includes attracting new business to the firm, hiring and training new staff, paying attention to the nitty-gritty details of day-to-day operations (which copy machine is the best buy?), dealing with finances (including bank loans and lines of credit), and so forth. It’s a mistake to think that becoming a principal is just a sinecure or a path to a guaranteed bonus. In reality, it is an invitation to work harder than ever for the greater good of the firm. If you are not prepared for this, it’s best to pass on the opportunity.

3. **Prepare to be misunderstood.** As the newbie at the table, you may be bubbling over with great ideas about how to improve the firm. However, even though your status has been elevated, you are still not in charge. Every firm has a tribal culture by which it operates—an unspoken and unwritten code that governs how things really get done. Your first job is to decode these signals, working extra hard to cement trusting relationships with all of your new partners. Only after that has been done (to their satisfaction) are your ideas likely to find a good reception.

At the same time, your relations with your other colleagues will change. You will no longer be a peer and a friend; you are now part of senior management. You are likely to have a say in how much they get paid, whether or not they receive bonuses, and how their performance is assessed. You will be expected to make decisions based on the greater good of the firm, not on individual preferences, and from time to time you may have to do something that is unpopular. Hence, a certain amount of distance is required to function objectively and effectively. Often what you do or say will be misunderstood. Get used to it, and work extra hard on your communication skills.

4. **Sell, sell, sell.** The single most important thing you can do as a new principal is to attract new business to the firm. If you have not been involved in the marketing process in the past, this is the time to learn as much as you can about it. If you have been involved, then it’s time to kick things into a higher gear. Become a relentless ambassador for the firm by being an active leader in professional and civic organizations, making presentations and giving lectures, writing articles, and so forth. Network like crazy with engineers, consultants, and contractors. Cultivate clients whenever and wherever you can, always articulating the unique value proposition that your firm offers. In a very real sense, the behavior of the firm principals is how the firm brand is made manifest, so everything that you do or say should support the mission of the organization. Always stay on message (and make sure that everyone else does as well).

5. **Continue to grow both professionally and personally.** Becoming a principal is not the end of the line; it is the beginning of a new chapter, with many more to follow. Bear in mind that you are moving from the top rung of the staff ladder to the bottom rung of the principal ladder. It will take time, work, and patience to become truly effective at leading others. There will never be a time when you know all that you need to know, so make

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learning a lifelong habit. With hard work and good luck, eventually you will be in a position to select the next generation of principals to lead your firm, and if you have done a good job, they will be better and smarter than you are (because you trained them!). The ultimate measure of success is to leave the place in better shape than you found it.

Not everyone is cut out for this journey, and that’s okay. For those who are ready to take it on, becoming a principal can be enormously rewarding. There are financial benefits, to be sure, but the most important reason is that as a principal, you’ll be able to practice at the very highest levels of the profession, to test yourself to your limit, and to be the best that you can be. Doing great work and inspiring others to achieve their full potential as well are the ultimate payoff.

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