

# Studio structures: A traditional design studio.

A traditional studio is like a family tree. There is often one (or perhaps two partners) at the top, with cascading tiers of staff below.

Larger studio's are often split into two: those that are client-focused, and those that are design-focused. A general manager or studio manager, depending on the size, is the conduit between the two teams.

This is the most common structure for a design studio and it's how ROTO Partners is structured.

**Toni Trainer and Rob Roberston** are joint founders and principals. Toni is the Business Director with responsibility for the finance and business management of the studio. A part time bookkeeper supports Toni.

**Rob** is the Creative Director. His main focus is maintaining a quality output and he does that by directing the five designers and servicing the major clients.

**Skye** is the studio manager. All staff have contact with Rob but the day-to-day management of the studio is Skye's responsibility.

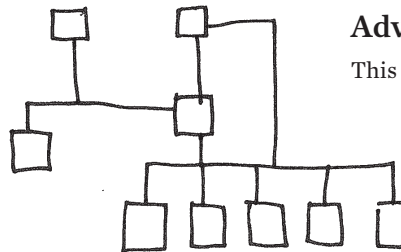
**Kate** is a minor shareholder and senior designer with the added role of design manager responsible for a small group of clients in the plastics sector.

**Betty** is a senior designer with strategy skills. She works across all clients, liaising daily with Kate but presents her ideas directly to, and is answerable to Rob.

**Mark**, the other senior designer does not have responsibility over **Greg** (designer) or **Cara** (web designer), his seniority is due to experience. He does tackle the larger, more complicated projects.

All designers are responsible to the studio manager for budget and scheduling matters, and Rob for creative matters.

Toni and Rob handle most of the client contact with Skye, Kate and Betty handling phone and email client contact.



## Advantages.

This model is that it is easy to set up, growth is organic, and it gives complete autonomy to the business owner(s).

Their name is on the door and all they keep all (or a majority) of the profits.

It's easy to downsize, if a designer chooses to leave, the team is not disrupted.

And it's flexible, freelancers can swell the team as needed, in all or one specific skillset.

## Disadvantages.

The disadvantage is the founder – especially solo business owners – are vulnerable to acute professional loneliness. A founder and creative director may have five staff designers but no true peer with whom to consult or communicate.

# Studio structures: A large cooperative.

A cooperative studio shares costs and profit between equal partners.

The most famous of all cooperative studios is Pentagram, arguably the most known design agency in the world. [Pentagram](#) was founded in 1972 by five men.

In 2018 there are currently 19 partners spread across the world. Each partner heads a small, self-contained team, making 19 small studios under the umbrella of an agency with over 100 employees. They successfully combine the boutique appeal of a small studio with the reach of a global studio.

The company's growth is based on adding well-known designers who in turn bring in business under the Pentagram name. Each client works directly with one or more partners.

Designers join Pentagram because they believe they can find more fulfilling work within the partnership than on their own.

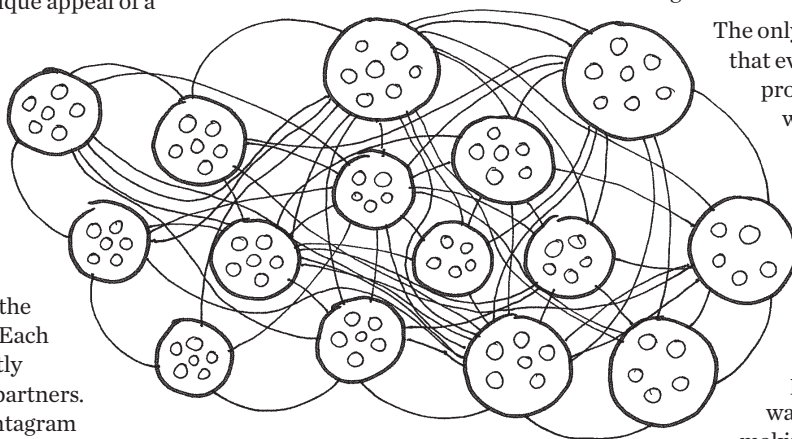
Marina Willer, one of the more recent partners said recently

*“What’s interesting about our business model is that the pressure is on each of the partners to make it. We are the ones who are always working late. When I’ve worked in other businesses, you see the juniors working late to prove themselves. There’s almost an inverted logic here, because the pressure is so on us to do great work.*

*...and we also feel responsible towards our fellow partners because we share the profits. If one partner is doing really well and you’re not, you feel you owe them. Unlike in other companies where the senior people spend most of their time in meetings, everyone’s always busy working.”*

Pentagram is held together by a partnership agreement and operating principles aimed at helping partners work collaboratively while still preserving their individual identities.

Each partner runs his or her design practice as a separate profit center. They have complete autonomy, deciding which work to take on, how much to charge, whom to hire for the design team, and exactly how much to pay the team under the firm’s general guidelines for employee salaries.



The only requirement is that every partner must prove financial viability when the monthly financial report ranks all the partners by profitability. That stricture is enforced mostly by the invisible but effective mechanism of peer pressure. Nobody wants to be in the studio making the least profits, especially because each

partner gets exactly the same salary and exactly the same bonus, regardless of the profitability of their work.

Pentagram partners meet off site twice a year to network, talk business and present samples of their most recent work.

Prospective partners are invited to join after a long – usually at least six month – courtship. The purchase price is based on assets, mostly accounts receivable and works in progress, excluding good will. The amount can be paid over a period of years from annual bonuses, making it attractive to younger designers.

That said, the structure is ruthless and not everyone copes with the corporatisation of design and being part of a large business. In 2017 there were 21 partners. In 2018, there are 19. I think that says it all.

# Studio structures: A small cooperative.

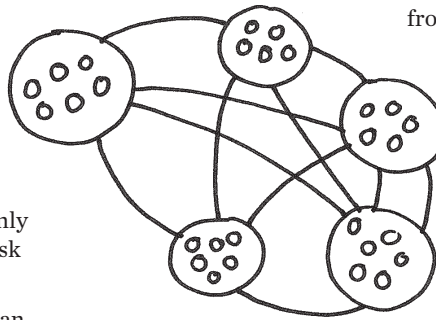
[Mucho design](#) is a collective based on the Pentagram model. It is in four locations: Barcelona, Paris, San Francisco and New York.

Creative Director, Rob Duncan, heads Mucho design in San Francisco.

San Francisco has some very unique issues. Around 2016 it became a victim of its own success. Rents became astronomical. The tech. industry was/is starving other creative fields of designers by paying them outrageous wages – even college grads are asking \$100K. It's a crowded marketplace where many designers are asked to submit for the same project. And on top of all of that, many new clients are 'start ups' and that is certainly not a market segment for the risk adverse.

So, running a design studio in San Francisco means high overheads, high rents and high wages in a very competitive market.

Rob started his career at Pentagram, working long hours for not a lot of money, and he knew he didn't want to replicate that scenario with his own studio. After stints at Apple and working solo, he formed a partnership with another designer and then merged that business with Mucho – a collective of self-sufficient studios all working under the one name.



A creative director/owner heads each studio and the success of the studio is their responsibility. The studios are structured similarly to the Pentagram model.

Rob is keen to remain small – he leads a team of five designers – but being part of Mucho means he can compete on the world stage.

## Advantages.

Muchos' unfair advantage is the pool of talent they can access for large projects, or designs that will benefit from different cultural perspective. When the studios collaborate they can literally work around the clock for a large client, but similarly they can be competitive when bidding for a boutique business.

The owners have the best of both worlds. They have the autonomy to run their studio their way, but also have the support and collaboration of peers. The creative directors meet every eight months to talk business, challenges and potential collaborations.

## Disadvantages.

As Rob put it, Mucho will only succeed if the designers all park their egos, so finding the right mix of personalities is key. And that means the story returns to the challenges of finding the right designers in a competitive market.

# Studio structures: Theatre ensembles.

We first heard about ‘pop up’ studios when we met Shel Perkins in San Francisco.

Shel Perkin is a graphic designer, management consultant, and educator with more than twenty years experience in managing the operations of leading design firms (Clement Mok Designs, MetaDesign) in the U.S. and the U.K. He provides management consulting services to a range of creative firms.

He also teaches graduate-level courses in professional practices, gives presentations and workshops and has served on the national boards of AIGA and the Association of Professional Design Firms. Shel is currently chairman of the AIGA Center for Practice Management.

When we met in San Francisco, Shel described how his graduate students were forming design studios to meet client demand.

They pitched for projects, and then formed ‘the perfect’ project team for that job. The team members are contracted for specific skillsets, and come and go from the project as needed. Even the ‘founder’ may leave before the project is completed. The idea is that team members only stay on board for as long as their skills are needed.

It’s a great model because of its adaptability. The team adopts a name and works under that for the life of the project. The group disbands at the end of the project.

Shel describes owners with their name on the door as the ‘dinosaurs’ of the industry. He has watched many of these firms disappear when the owner – ‘the source of all knowledge’ – no longer wants to work.

## Advantages.

This model has many advantages. It has all the advantages of combining the skillsets of talented, entrepreneurial designers who want to collaborate with others without the long term costs of running a studio. Hence they can be price competitively or make larger profits.

Using this model, even a sole practitioner has the potential to disrupt the major players who have a building full of employees. They can do that by putting together the ‘perfect team’ for a project.

## Disadvantages.

Someone needs to be ultimately responsible for the design management of the ensemble and that means managing a transient pool of talent and egos.

The network of designers would need to be broad to ensure contacts are available when needed. And you would need to work hard to nurture a team culture, as talent comes and goes throughout the project.

