Industry Leader Profile: Art Gensler

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Abstract
Gensler is a global architecture, design, planning and consulting firm with more than 2,000 professionals across 33 locations. Gensler is a multiple winner of the Business Week/Architectural Record Awards, the U.S. benchmark for business design innovation. Art Gensler founded the firm in 1965. An architect, he is widely credited with elevating the practice of interior design to professional standing. He is a Fellow of the American Institute of Architects and of the International Interior Design Association, and a professional member of the Royal Institute of British Architects. He graduated from Cornell University's College of Architecture, Art and Planning and is a member of its Advisory Council. A charter member of Interior Design magazine's Hall of Fame and a recipient of IIDAs Star Award, he has also received Ernst & Young LLP's Lifetime Achievement Award and the Cornell Entrepreneur of the Year Award.

Keywords
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The Cornell Real Estate Review's Executive Profile highlights an extraordinary leader in the real estate industry. The profile is designed to explore an iconic figure whose leadership, insight, daring and success has transformed the real estate industry. In the past, the Executive Profile has profiled household names like Sam Zell and William Sanders, but is designed to highlight leadership and transformative impact in real estate in whatever form it may take.

Each year, the Cornell Program in Real Estate Advisory Board in conjunction with the Cornell Real Estate Review executive board nominates and selects the individual who will become the subject of the Executive Profile. A new Executive Profile, which consists of a short biography of the chosen individual followed by a detailed question and answer format, is published each spring in the Cornell Real Estate Review. The Executive Profile provides an in-depth, candid look at the personal issues, perspectives, leadership style, and decision-making of leaders that impacted the real estate industry as we know it today.

Past Executive Profiles are available on-line via the Cornell Real Estate Review website at http://crer.realestate.cornell.edu. Here is a reprint of the 2010 Executive Profile of Gensler Founder and CEO Art Gensler, which appeared in the May 2010 Cornell Real Estate Review.

Art Gensler
Founder and CEO of Gensler

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In 1995 you were named the Cornell Entrepreneur of the Year. What entrepreneurial insights could you pass along?

I am tremendously honored to be called an entrepreneur, let alone from Cornell. It is beyond what I could have imagined. When Drew, my partner, and I started our firm, we didn’t have business plans or financial models. We had two hundred dollars; my wife was the secretary, the office manager, and the accountant on Tuesday afternoons when my kids were at nursery school. So, I think if you have a passion for something, do it. You are only going to live once and you can’t be scared to try something. If you work hard, add value, and respect your client, then you probably will be a success. I think too many people try to plan their whole life.

When I started the firm I was thirty and was just trying to support three sons, a wife, and [had] no money. I did have a little confidence in myself and, lucky for me, like many of those who have gone to Cornell, we get a great background and have a huge network that can open many doors. Unfortunately, many who don’t go to Cornell do not have the same opportunities. When you do get the door opened for you, you have to have the courage to go through and grab the ring.

You started your firm doing the interiors for a project in San Francisco. What are some of the key moments in your firm’s history where you were fast tracking growth?

You have to follow your clients, consultants, and advisors. I decided that I would charge more money than the standard rate that was being charged because I was convinced that I could do a better job than my competitors. The first project was very successful. When the Bank of America project was started, Cushman and Wakefield asked me if I would do the interiors of what is still today the best office building in the U.S. The building was filled with accountants, financial firms, lawyers and other professionals, so I became comfortable early on working with professional clients. Cushman asked me to help on a similar project in L.A. And, then I got a call from a gentlemen in Houston from Penzoil, and he asked me to come down and help him as well. After I got the Penzoil project, Cushman and Wakefield introduced me to a project in Denver, so I had to open offices in Houston and Denver. I asked the people I had on board to move, and they did and were wonderful. We got an office lease for the length of the project. If the project worked out we would build an office, if not we would go back home. What we built is a family of people. We don’t go in and buy companies. We ask our people to go into a community and start with a project to build that office. We share and work together instead of compete. We share the money and the rewards and all 2,200 of us like each other. We are one big firm that lives and sleeps in different cities. We all work together to build an organization and serve the client. Every office that we have opened has been driven by a client requesting us to come to a city to work on a project. For instance, Goldman Sachs took us to London; McDonalds took us to Chicago. We let the work take us to the location.

Gensler has grown to over 30 locations throughout the world. What are some of the challenges of running a global firm?

Obviously each country has its own culture. Before I started Gensler, I worked for a firm in the West Indies. When I got here, I thought that they did everything wrong. Then I realized they did it the British way, not the American way. The way they did it was not wrong, and, in some cases, it was superior to the way we worked. When you work in many different cultures you learn that there are many different ways to solve a problem and it is both a challenge and an opportunity to learn different ways and expand your skill sets.

As a design firm, we’re not selling a style. There is nothing wrong with selling a style, and, certainly, if you wanted Frank Gehry, you get a Frank Gehry building. If you come to Gensler, hopefully you get a building that fits the community and reflects the client and its attitude, culture, and desires. We have had to understand the cultures, and, in a variety of areas, that has been a challenge. On the legal and contractual side, how you have to deal with money and local building materials has certainly been a challenge. But it has been an opportunity to learn.

We’re in an age where communications and technology have made working internationally much easier. I remember when I was in Ithaca and I was courting my then-future wife who was at Middlebury [College] in Vermont. I would have to write her letters because I couldn’t afford to make the phone call. Things have changed a lot and you use technology to enhance the skills you have. It also allows me to bring in the appropriate skills wherever they are needed in the world. We’re one office where we all share and work together.

You spoke about doing things differently in different cultures, and that Gensler is a ‘one firm’ firm. Would you say that there is a difference in culture in offices overseas?

Yes. One of the things that we try to do is make our international offices feel that they are a part of Gensler. Sometimes tax laws don’t allow you to do that. We have a very strong employee stock ownership plan (ESOP), which we like because every member of the firm becomes an owner. In a number of countries, they don’t allow ESOP’s. It is very sad to me that you can’t include these people, because sometimes these people feel that they don’t have the same connection to the
company. There are other differences, such as in the UK. They expect four weeks of vacation, while in the U.S. [they only expect] two. So how do you equate things like that? They have different holidays than we do.

Culture is a big thing. In China, some of the young people want to sleep on the floor under their desk and they just want to be there all the time. We have to kick them out of the office practically. They are incredibly hard and dedicated workers. One of the things that is really awkward is the fact that people are compensated differently in China. A local makes less than an American working in the Gensler office in China. The American wants hardship pay to go to China, and the Chinese worker, though paid far below the America worker, is making more than if he were working for a Chinese firm. It is still a tough thing to reconcile. There are lots of little things that become a challenge. To me, every challenge is an opportunity to learn and to grow.

How would you describe your leadership style?

I delegate almost everything. I set the tone, hire good people, and get out of their way. I think they probably think I poke my nose in, but I doubt they think I interfere too much. I give people lots of opportunity and responsibility. I trust them and I believe in trust. I provide a good infrastructure for them and a leadership culture that strives for excellence ... to be number one and to be an advisor to the client. We care about things like sustainability and quality of life. I hopefully set a tone about the culture and openness. We try to run Gensler as a strong business as well as a design firm.

Technology has always played a large role in the practice of architecture. How has Building Information Modeling (BIM) impacted your profession?

Practices have changed a lot because of technology. We’ve been very fortunate to have very talented technology people help the firm. BIM is very interesting because it does several things. It provides ‘interference checking,’ which is very useful and allows us to find conflicts in building system design coordination. Contractors are starting to use BIM for quantity surveying right off of the drawings, so estimating and pricing will be much more automated. The most important part of BIM is that, up until recently, we drew everything in 2D, and then created a 3D rendering. Now we are designing in 3D and are almost able to model and look at anything we can conceive of and see how it all fits together. One issue in building these models is that it forces you to make decisions early on, and, in my opinion, sometimes too early. I still like to sketch things, but it sure is interesting to look at things in 3D from a design standpoint.

You have been credited with elevating the practice of interior commercial design. Do you feel this reflects the need for specialized practice groups within architecture? Are there other services that are becoming specialized within architecture?

I like people that are talented. Talented people can design and think, and thinking is the main issue. We have sixteen practice areas, from retail to commercial interiors to hospitality. We consider Gensler a design firm, not just an architecture firm. We are in a variety of design practices, but that doesn’t mean that each person is an expert in each design practice.

I am proud of my early involvement. When I started, most interior design was done by a furniture salesman or an office manager with graph paper. I got excited about it because I could see the impact it could have on people working and the ability to [create] adjacencies and working environments that were conducive to productivity and people [put] in a proper environment to do good work. I found it exciting, and one of the nice things was that I got to meet lots of lawyers and bankers and learned a great deal from them, such as how to run a business. I watched, asked a lot of questions, and learned. We made an impact on commercial real estate interiors by understanding how spaces worked. As an organization we have been able to have a lot of influence on how buildings are built and used and how companies organize. When I started, the rate of change on how people worked was slow, but in the last 40 years it has changed dramatically. It’s been interesting to be part of the change and evolution. We’ve done more than anyone else in the world [to change] how people work. And, I do think that we made a difference in interiors.

How has “globalization” impacted your profession? What changes lie ahead for your industry in the near term and long term?

There are a variety of ways you can practice architecture, and no single way is right or wrong. Globalization has had an enormous impact on our company, and it is both exciting and challenging. We have taken a large and global approach, and we look at our clients not as international or U.S.-specific, but as clients who want us to be where they want to be. We cannot accomplish that from the U.S. We have to go to their market and provide tailored solutions. The only way we can compete is to go into their territory with our people and use our technology, creativity, and entrepreneurship.

The current economic downturn has been challenging for commercial real estate and its associated service industries. What is your perspective on the global recession, and how has your firm responded to these challenging times?

This has probably been the most severe downturn I have seen in the past forty-five years, and it has lasted as long as any other I have experienced. It has been very challenging and, unfortunately, we have had to
downsize and cut our staff by about a third.

Most of our clients are repeat clients, who need our help whether growing, downsizing, or merging. There has been a lot of renovation, re-skinning of buildings, and re-positioning of tenants. So, our projects are not always as glamorous as a new building, but we are in the service business. If we can help our clients adapt and modify, I do think that we will make it to better times in the future. One of our philosophies at Gensler is that it is just as interesting to design a wine label as it is to design the second tallest building in the world. I am not in it just for the “big ones.” These have been trying times, but we have taken advantage of the circumstances and we are ready to take on projects around the world right now. We have the systems and the talented people to do so.

What markets do you think may lead the way out of the current downturn?

That’s a tough question. We do not do health care and it seems that area is changing a lot. I am really quite surprised by how much hospitality work we have going right now. But, I think it will be fairly slow in rebounding. I think that retail will come back a lot faster than people think. There is quite a bit of government and education work coming up due to reorganizations and the impact of charter schools.

There are also international opportunities. I recently read a newspaper article that reported 50,000 skyscrapers will be built in China during the next fifteen years. We are expanding in China, India, Singapore, and South America right now as we look for how to work our way out of the slow markets in the U.S.

Looking ahead, what changes do you anticipate in the commercial real estate landscape?

I’m worried about office buildings. Sometimes, when you walk around an office there is nobody sitting at a desk. Many organizations are getting rid of an awful lot of their space that is not being used. They now need space to collaborate and interact and there is demand for this space, which is quite different than the current stock. The question is how much of this new space do we need?

I also think there is going to be a real resurgence of cities and a flattening of the trend to move to suburban areas. We cannot keep moving farther out with highways. Some people and companies who moved away from cities in order to find a bucolic setting are instead finding that suburban areas can be isolating. They often provide minimal interaction from people outside of one’s own immediate network. Face-to-face interaction is what drives real creativity, and I think people are recognizing that and don’t want to waste time commuting.

Do you have any advice for the next generation of Cornell graduates?

I am proud to be a Cornellian. After I graduated, I went right into the Army as an ROTC graduate. When I got out of the Army, I had fifty-one interviews before I got a job that paid $100 per week. I encourage everybody to go out and get into the marketplace. Get a job, even if it is peripheral. If you are waiting for the phone to ring, it will drive you nuts and you will not be learning anything. The job you get may not be what you envisioned at the outset of your academic journey, but it is easier to get another job if you already have a job. Plus you can learn something from every job. Your education does not stop with graduation; it is just beginning. Don’t get discouraged because it is a bad economy. It was a bad market in 1958 and opportunities arose. Keep a positive attitude.