Enhancing Entrepreneurial Orientation and Business Development Capacity of Architects in Nigeria

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Abstract:
This paper reviews the entrepreneurial orientation and business development capacity of architects in Nigeria. It discusses the problems faced by Nigerian architects in the business environment. It surmises that architectural firms in Nigeria have remained relatively small businesses with individual or two-partner ownership as a result of the lopsided education of architects with little or no training on the development of business skills. The conferences and workshops organised by the Nigerian Institute of Architects and Architects Registration Council of Nigeria do not address the entrepreneurial needs of architects in Nigeria. It contends that architectural training focuses more on the technical side of architecture without a balance with the entrepreneurial aspect which has left architects without important business and management skills. This has affected performance and ability to adapt, start, nurture, grow and significantly expand their businesses in the dynamic, fast changing and technology driven business environment. The paper proposes a holistic Business Development Framework for Architects to address three important areas of theoretical development, technical development and entrepreneurial skills development that could help architects to develop their business models. It concludes that the non-inclusion of entrepreneurial training in education and professional training as a core module of studies has affected the career plans and prospects of many architecture graduates leaving them with only the option of core architectural practice which many of them are not suited for. It recommends the adoption of capacity building measures and approaches for innovation driven practices for professional and environmental development. Architectural management and products design should also be core modules of study and training.

Keywords: Architectural education, business development, entrepreneurial orientation, professional practice.

1. Introduction
Due to global financial crisis, unpredictable economy, societal changes and changing market demands there has been significant challenges and changes in the practice of architecture that calls for architects and architectural firms to adapt, innovate and re-design their business models in order to stay competitive. Scarcity of financial resources, integrated contracts and increasing competition among actors in the architecture, engineering and construction (AEC) industry, has made the scope of architectural services to become less defined (Bos-de Vos, et al., 2014). In order to create and appropriate value architects have to become better and more knowledgeable entrepreneurs. Value creation in the creative industry in which architecture belongs has two dimensions – the symbolic (creative) and economic (Van Andel and Vandenbempt, 2012). The economic dimension keeps the business afloat and prosperous. It has as entrepreneurial construct factors such as planning, decision-making, innovation, marketing strategies, management, risk-taking, persistent, and financial management. The creative (symbolic) dimension plays an important role in value creation and capturing design processes of architectural firms (Bos-de Vos, et al., 2014).

The architect plays many roles as problem solver and social engineer within the context of finding solutions to pressing issues of physical development, as an educationist and as an entrepreneur or businessman. Traditionally, the architect is trained to ultimately go into private practice with emphasis on building designs and supervision without adequate preparation to utilise opportunities opened to him in other business areas. Consequently, the architect fails to adapt to changing conditions in the economic and business environment. The business environment is an ever-changing area of activity. Many graduates of the departments/schools of architecture practice architecture by necessity (Reinholdt, 2015). Today’s economic reality requires the reconciliation of the world of design and form with the world of business development (Reinholdt, 2015). However, due to the nature of their training, with no firm background on entrepreneurial and business development, architects in Nigeria are not equipped to practice with an appreciable degree of effectiveness and competitiveness. Therefore, there is need to develop practical approaches that merge entrepreneurship with the practice of architecture to create better value for the work of architects in Nigeria.
2. Literature Review

Arafah (2016 p.2) defines entrepreneurship “as the capacity required to identify and generate competitive business ideas, utilise resources, organise production, promote the product or service, manage risks, and continuously work for the growth and excellence of the business.” Laguador (2013) sees entrepreneurship as the ability of a person to recognise the kind of product or services required by others and to deliver them to the right people, at the right place, at the right time, and at the right price; and as the science of converting ideas into business ventures. An entrepreneur is defined by Business Dictionary (2019) as “someone who exercises initiative by organising a venture to take benefit of an opportunity and as the decision-maker, decides what, how, and how much of a product or service will be produced.” An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities.” Laguador (2013 p. 61) defines an entrepreneur as “one who organises, manages and assumes the risks of a business enterprise.” This put the entrepreneur as a person who generates business ideas, organises, finances and runs a business with initiative and risks while taking responsibility for its growth, success or failure. Business success depends on the knowledge level of entrepreneurs which in turn is contingent on education and past experiences (Sehat and Foomani, 2014). Entrepreneurs define and develop the market, and determine the interplay of economic forces. They determine and shape the business models of organisations and also “play a crucial role in the innovations that lead to technological change and productivity growth” (Kuratko, 2005 p.578).

However, as observed by Reinholdt (2015) the business model for practicing the architectural profession has remained unchanged for too long and has not evolved with the consumer economy. The business model and revenue structure of most architectural firms is still based on the delivery of “full services” in architectures, engineering and construction stages (Bos-de Vos et al., 2014). This is based on an approved fee structure and reflects the value statement placed on architecture as a profession. Architects are under-appreciated and are being paid less and less despite approved fee structures. The economic value created for their products is through this outmoded delivery system where client’s most important priority is getting the lowest fee from the architects (Bernstein, 2018). Thus with price as the driving force architects must look for ways to create better value by selling results that are based on delivering outcomes of the building process itself, including the performance of the finished building (Bernstein, 2018).

2.1. Entrepreneurship Education and Training

University education in Nigeria is at the point of transformative changes with increased demand for more practical hands-on knowledge than theoretical knowledge. This has been spurred by the present economic realities as government employment is increasingly becoming a mirage. Entrepreneurship is increasingly being recognised as an important generator of economic growth, innovation and job creation (Bakotić and Kružić, 2010). This is promoted in many countries through education and professional training. Studies show that entrepreneurship training is an important factor in business growth (Cooney, 2012). Entrepreneurial education helps to transform an innovative idea into a successful enterprise. One of the significance of entrepreneurial education is that it is an effective strategy towards more innovation (Lin, 2004).

Studies have also shown that entrepreneurial education can help to promote an innovative culture by changing mind-sets and providing the necessary skills (Blič, Prka and Vidović, 2011). Literature suggests that education and exposure to training programmes have deep influence on orientation and understanding of competitive market mechanisms (Harris and Gibson, 2008); help to shape business orientation and attitudes, and provide direct exposure to business opportunities (Fayolle and Gailley, 2015); and improve entrepreneurial competencies (Ismail, Zain and Zulihar, 2015). Traditional university education focuses on qualifying graduates to find secure jobs. This, however, is at variance with the effect of globalisation and rapid technological changes on macro and micro economies of nations and the nature of work. In spite of the importance of entrepreneurship, it is sad to note that entrepreneurial education has not been a core aspect of the architectural education curriculum but a General Studies (GST) course in Nigerian universities. Neither is it in architects’ professional examination courses. In the General Studies entrepreneurial course students are expected to acquire basic knowledge and skills in business and financial management. There is the need to prepare students of architecture and architects to start-up, work and properly function in the dynamic and fast changing business environment.

Findings from a study conducted by Botha and Tas (2016) at the University of Pretoria using in-depth interviews with a sample of B.Com Entrepreneurship graduates, as well as a control group, to determine whether the exposure to entrepreneurship education can enhance actual business start-up show that the lack of a viable business idea and knowledge, fear of failure and aversion to taking risks were the main constraints to business start-ups. It also indicated that the entrepreneurship graduates were less risk averse than the control group. Thus entrepreneurship education is an important source of knowledge, skill, problem-solving ability, discipline, innovation and self-confidence (Robson et al., 2012).

Figure 1 shows the entrepreneurship skill-sets required for business success. Technical skills are those skills required to produce the required business products; managerial skills are for the day-to-day management of the business and entrepreneurial skills are skills needed to recognise business opportunities and act on them (Cooney, 2012). These skill sets are important for business success as architects. Neither is it in architects’ professional examination courses.
3. The Need for Entrepreneurial Education as Part of Architectural Education and Training in Nigeria

The training of architects in Nigeria which has been principally directed at practice, with architectural firms in Nigeria remaining relatively small businesses with individual or two-partner ownership. There are very few large and well-developed architectural firms in Nigeria. Many old large firms folded up at the demise of their founders. Oluigbo (2005) observes that the poor state of the Nigerian economy has affected the building industry giving rise to new demands and challenges to the architectural profession which require a re-orientation and addressing of broader spectrum of knowledge. The author argues that management ability is needed far above the conventional wisdom of design and supervision of construction activities. To stay competitive the application of the management techniques is absolutely necessary to the growth of an architect in his/her profession (Alvarez, 2016). Unfortunately, architects have held unto their traditional role of conceptualising, designing and co-ordinating the construction process to realise the client’s dream without considering the dynamics of the ever-changing business environment. This traditional role is fast slipping out of the grasp of architects.

Adeyemi (2000) stresses that the narrow training of architects to specialise only in design without a more versatile training will eventually lead to his being eased out of his leadership position in the construction industry. This narrow training has eroded confidence in the architect and led to the creation of project and construction managers by allied professions to oversee construction projects leaving the architects merely as a producer of drawings. Obasi (2001) draws attention to the observation that other consultants in the construction industry in Nigeria argue that the architect is ill-equipped as a team leader due to his training which focuses principally on design without any background in management. This argument has not changed and should pose a challenge and cause for concern to architects in Nigeria.

The education that the schools of architecture provide mostly does not incorporate matters related to business and management (Alvarez, 2016). Thus there is an urgent need to review architectural education to include entrepreneurial and management training. Education and training opportunities play a significant role in developing future entrepreneurs and in helping existing one to grow their businesses (Davidsson et al., 2006). Several researchers have noted the absence of management, humanities, entrepreneurial and behavioural science courses in architectural education (Adeyemi, 1990 and 2000; Udeh, 1990; Abdulkarim, 2002 and Oluigbo, 2005, Alvarez, 2016). For instance, Adeyemi (1990) observes that the absence of these courses have left the architect ill-prepared for managerial roles in the built environment. Edem and Ebong (2011) drew attention to the need to critically look at the shifting demands on architecture and clearly define what is relevant to architecture and architects and incorporate same into architectural education and training.

It is necessary for architects in this present competitive business environment to know how to develop business policies and set business goals and objectives. The aim of business policies is to ginger business development, growth and expansion. It serves the business need to start, catch up, and beat competition and move ahead. Furthermore, it helps to create the circumstances conducive to growth and development. The success of architectural firms and businesses demand that they develop good business plans with measurable goals and objectives. Livesey (1976) posits that prominent business objectives should include, among others, the following: (a) achieve a target rate of return on business; (b) maintain or improve market position; (c) stabilise income and/or margins, and (d) meet, follow and overtake competition. Legal issues and constraints, government policies could hinder or facilitate business growth. Therefore, connecting with institutions, such as banks, that support business development and growth is an essential aspect of entrepreneurial knowledge for architects.

4. Business Development Framework for Architects

Figure 2 shows the proposed business development Framework for architects. framework is conceptual. It is a graphical model that shows how key concepts working together can achieve a proposed goal. A holistic architectural training should address three important areas namely: theoretical foundations, technical developments and
entrepreneurial skills development. These represent the key proficiencies areas for architect in business development. Theoretical foundations and entrepreneurial skills development properly integrated should impact on technical development and business development planning, thereby preparing architects to face the challenges of the business environment. The proficiencies operationalize the solution by focusing on measures to increase the architect’s probabilities of success and reduce the possibility of failure. Such proficiencies include, among others, industry-specific knowledge by keeping abreast of developments in the chosen area of business, research and development, risk-taking, persistence, consistency, maintaining focus, being innovative, discipline and the ability to embrace and cause change. Reyes (2018) cited the following as Personal Entrepreneurial Competencies (PEC), opportunity seeking, risk taking, persistence, demand for efficiency and quality, commitment to work contract, information seeking, systematic planning and monitoring, persuasion and networking, goal setting and self-confidence. These should be used by architects for self-appraisal.

Continuing professional and personal development is an essential input into technical development and business model development that could help drive an outcome-based design practice empowered by new business approaches, models, and technology. Studies show that there was improvement in some participants’ entrepreneurial competencies after they attended a series of workshops (Ismail, Zain and Zuhkar, 2015). The business development structure also considers three important aspects of business venture model development. These are entrepreneurial intention which is the conviction by an architect to start a new business and/or introduce a new business model; entrepreneurial behaviour which involves looking for, finding, assessing and exploiting a business opportunity; and entrepreneurial activity which is the key aspect of business development and involves goals-setting, planning, branding, communication, marketing and financial management. Researchers have noted from their studies that there is a relationship between entrepreneurial competencies and entrepreneurial intention, behaviour and activity (DI Zhang and Bruning, 2011; Laguador, 2013; Manun, et al., 2016).

5. Entrepreneurship Opportunities for Architects in Nigeria

Architects in Nigeria need to evolve to survive and be competitive by introducing innovative business models in their practices. They could add service lines, vary revenue sources or change operations. There are many entrepreneurship opportunities for environmental development for architects. There are also several areas that the architect could function very well and contribute to the economic development of Nigeria. Generally, the image of the architect as a creative individual has not fitted comfortably with the image of an entrepreneur who goes out to look for business opportunities and advertises his/her services. Advertisement and business promotion are key business strategies which architects are not permitted to utilise in Nigeria. To benefit from entrepreneurship opportunities architects in Nigeria must re-invent the profession and embrace the application of management techniques which are absolutely necessary for business success. Their emergence as successful business persons will positively impact on the built environment. Generally, architects consider their profession as a matter of design and building techniques (Alvarez, 2016). Architects can expand their involvement from purely design practice business to other areas in the building industry and the general economic environment. Thriving businesses must connect with consumers and always look for opportunities to capitalise on. Examples of entrepreneurship opportunities for architects include:
5.1. **Design-Build Practice**

This is a practice area more rewarding than the traditional design consultancy practice. According to Alvarez (2016) the advantages are:

- A Design-Build practice enables the architect to effectively manage the entire process of the project development from inception to construction.
- The project can be started much earlier and delivered on time, within the given budget.
- The scope of innovation in design and building techniques are much higher.
- Design-Build projects are more challenging than the traditional design practice. It involves site, financial, communications and risk management capabilities and the overall management the construction process. More architects should go into it.

5.2. **Design and Production of Building Components**

Architects are better positioned to march fabrication technology of building components to existing standards. The design and fabrication of building components brings the creative ingenuity of the architects to the fore and enhances the quality of products.

5.3. **Architectural Journalism**

This should also be considered by architects. A lot of design/construction creative and innovative ideas are lost because they are not preserved. Knowledge of creative solutions to construction problems has been lost because they were not documented. The preservation and dissemination of knowledge is of paramount importance to construction industry professionals. Knowledge enhances their work. New designs draw from and build on precedents and known examples. Architects should become publishers.

5.4. **Academic Firm**

Architects could open “academic firms”. An academic firm is a firm-based organisation that focuses on encouraging, supporting and advancing knowledge production through research and development and knowledge application through innovation (Campbell and Carayannis, 2016). According to the authors, knowledge and innovation are crucial key drivers for the academic firm. Such a business organisation can work with/or for universities, university-related institutions, other higher institutions, government and organisations that conduct and/or require research inputs in their operations.

5.5. **Architectural Management**

This is aimed at proper management of a project in a cost effective manner to client's satisfaction (design and building quality) and also to achieve profitability. According Emmit et al. (2009) and Emmit (2014) architectural management consists of:

- Office management: This provides the setting and framework to execute commissioned projects. This is the in-house management of the architectural components of a project. Many architectural firms fail because of poor office management techniques.
- Project/construction management: This involves managing the whole project from design commission to the construction process, setting time-lines and milestones, and co-ordinating all members of the project teams. Project management has its methods, principles and techniques that the architect should learn in order to become effective and successful project managers.

5.6. **Building Information Modelling (BIM)**

Practice models could focus on delivering outcomes of the design and construction processes that include using rapidly evolving technologies of Building Information Modelling that combine digital 2D to 5D models with analytic competencies of simulation software that allow planners and designers to predict different aspects of buildings such as cost estimating, energy consumption, building life cycle performance, maintenance-cost optimization, and design predictive and simulative tools more accurately. Particular to the architect are Automated Rule-Checking tool for design development, Automatic Code-Checking for building/planning approvals and permits, Automated Safety-in-Design Rule-checking and other Design Check platforms. These tools could help architects to create more value in their products.

6. **Conclusion and Recommendations**

Architects play an important role in the development of the built environment thereby contributing to the economic development of Nigeria. However, their training which focuses more on the technical side of architecture without a balance with the entrepreneurial side has left them without important business and management skills. This has affected their performance and ability to adapt, start, nurture, grow and significantly expand their businesses in the dynamic, fast changing and technology driven business environment. This paper calls for departments/schools of architecture and architectural professional bodies to urgently address this deficiency. The non-inclusion of entrepreneurial education as a core module in the curriculum of studies has affected the career plans and prospects of many architecture graduates leaving them with only the option of core architectural practice which many of them are not suited for.
Entrepreneurs through competition change the market structure and provide prospects for the future. The paper contends that theoretical foundations, technical developments and entrepreneurial skills development properly integrated in the training of architects will lead to successful business development. It recommends that architects should be properly trained on how to conceive, plan, develop, nurture, grow and expand their businesses through a holistic education. Architectural management and products design should be core modules of study. The adoption of capacity building measures and approaches through seminars, workshops and conferences for innovation driven practices for professional and environmental development.

7. References


