



CODA

The Creative Industries Innovation Centre (CIIC) produced this feature article for its website, Creativeinnovation.net.au, to showcase the experiences and knowledge of an innovative Australian creative company.

Perth architectural firm CODA has quadrupled its turnover in just three years thanks to a restructure of its business model and processes.

In 1999, Emma Williamson and Kieran Wong made the decision to launch an architectural practice straight out of university. Despite knowing little about acquiring clients or managing a business, their practice, CODA, has since emerged as one of the most innovative boutique architectural firms in Australia.

CODA is winning multi-million dollar developments and design competitions, and has expanded its client base beyond Perth into regional areas such as Broome, the East Kimberley and the Pilbara.

Between 2007 and 2009, CODA more than quadrupled its turnover from \$250,000 to \$1.3 million by shifting its focus from small-scale residencies towards public, multi-residential and urban design developments.

In 2009, CODA also launched a pro bono division in line with its philosophy that good architecture creates better, more sustainable communities. By investing time and

resources in its brand and management systems, CODA has created a business that is more resilient to the booms and busts of the local economy. It has diversified its revenue stream to create more financial stability, and established a clear hierarchy of roles and responsibilities, which enables CODA to staff up or down accordingly as its workload expands or contracts.

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How did you calculate the risks/returns of establishing your own practice?

We set up our practice straight out of university in 1999. This is not the norm – in architecture it is usual to get around 10 years experience before embarking out alone. At the time, it was a recession and there was not much work around, and even less decent work. So we had nothing to lose. We rented an apartment and I had a full time job as a lecturer at university, so I could really prop up the practice and our life if necessary. We were happy to start small with the view to getting bigger.

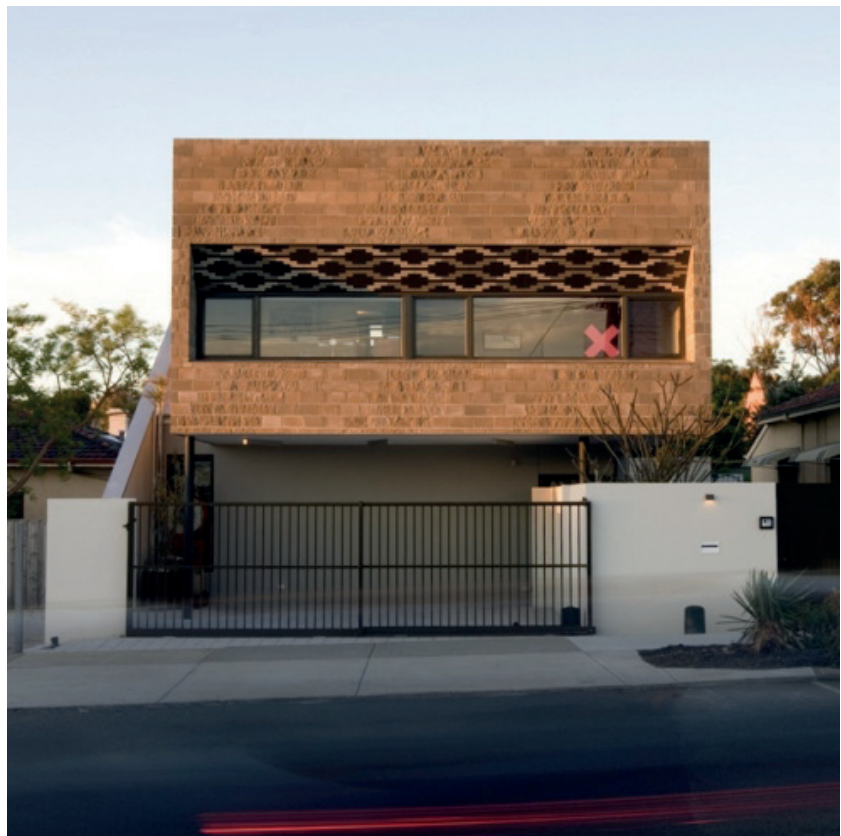
What were your start-up costs?

Our start-up costs were really the cost of the computer that Kieran worked from. He took out a loan and had an enormous Apple Mac delivered from the United States – it was 12 years ago and computers were really big then! Kieran did a small business program that offered weekly

Case study

Previous page: Kieran Wong
and Emma Williamson

This page: House SB,
South Street, Perth, WA.
Photography by Bo Wong.



financial support from the government for the year following the course. This was a huge help. We started by doing projects for family and friends, and this grew to friends of family and family of friends.

Your company has grown from 2 staff to 15 in 10 years. How have you managed that growth?

When we began hiring full-time employees three years ago, we needed to maintain a steady flow of work in the pipeline while still maintaining our culture. We found that increasing the number of staff dramatically shifted relationships within our office, which necessarily became more hierarchical. This was a major challenge and we had to introduce better procedures and systems to communicate the core ideas of our business to all staff.

What business indicators do you use to measure your company's performance?

Our indicators to performance have become more sophisticated. We use Profit + Loss and Balance Sheet reports, and regularly analyse receivables and debtors to establish our breakeven point. This is a useful tool retrospectively, but we are also searching for tools that will give us information that is 'live'.

Last year we invested in software designed by an architect to manage planning and projection, and accurately report on what is happening at this moment and how it will impact the future.

What's your approach to risk, experimentation and quality control?

Risk and experimentation are important to our practice but they are not done recklessly as architecture is very expensive and the evidence lasts for a long time. We prototype through drawings, models and on-site to ensure the outcome is in the best interests of our clients.

Quality control mechanisms within the office have resulted in a more hierarchical structure, because all information that leaves the office must do so via the Project Architect. A Practice Director is responsible for meeting with Project Architects at least once a week to discuss the progress of a job.

What does creative thinking add to your clients' business?

Often the solutions we seek are more economical. A better use of space may make our designs smaller, resulting in lower construction costs and maintenance costs in the long run. Thinking creatively means looking at each client's situation individually, and not delivering generic solutions.

Looking back, is there anything you should have done differently?

I think the answer is no. We have faced the challenge of building our business front-on. We have not tried to find the easy solution to anything, and we have always sought the solution that would help us to grow.

What are the primary challenges for small businesses setting up in this sector?

Not having any basic business skills is a real trap. There is a preoccupation with design, yet I think the chaos of a badly run business would easily take away from your ability to make good, creative work. Expanding quickly and not building a strong client base is another trap.

Do you ever collaborate with other sectors?

We are starting to work as part of quite large consultant teams. These collaborations are fantastic as they provide a forum for expertise from different areas such as traffic engineering, community consultants, landscape architects and branding agencies. These opinions all feed into our architectural response.

What trends or opportunities are driving your business?

In Western Australia, there is a lot of focus on what is happening in the north, where many towns are in need of basic infrastructure. We are primarily interested in this type of work, and in social housing. Combining these two areas with sustainable and good design is what drives us.

Have you diversified your business to grow your revenue stream?

About 18 months ago (in mid-2008) we started to work in the area of urban design. This has had a dramatic impact on the make-up of our revenue stream. Our work may not always be visible in these projects, but we believe urban design and planning is a vital step towards building better towns and cities.

AT A GLANCE

Name:	CODA
Website:	www.coda-studio.com
Location:	Perth, WA
Sector:	Architecture
Launch:	1999
Directors:	Emma Williamson (Managing director) & Kieran Wong (Practice Director)
Total staff 2009:	15 (plus contractors)
Milestones:	CODA was the 2nd most awarded firm at the 2009 Western Australia Architecture Awards; CODA won 1st place in the national 2009 About Face "Think Brick" design competition.

Article by Barbara Messer

ABOUT CIIC

The CIIC supports the business of creative enterprise. It is an Australian Government initiative, part of the Enterprise Connect program and is supported by the University of Technology, Sydney.

FIND OUT MORE

Visit www.creativeinnovation.net.au, www.enterpriseconnect.gov.au or call the CIIC on 02 8217 5000 to find out how we can help your creative business.