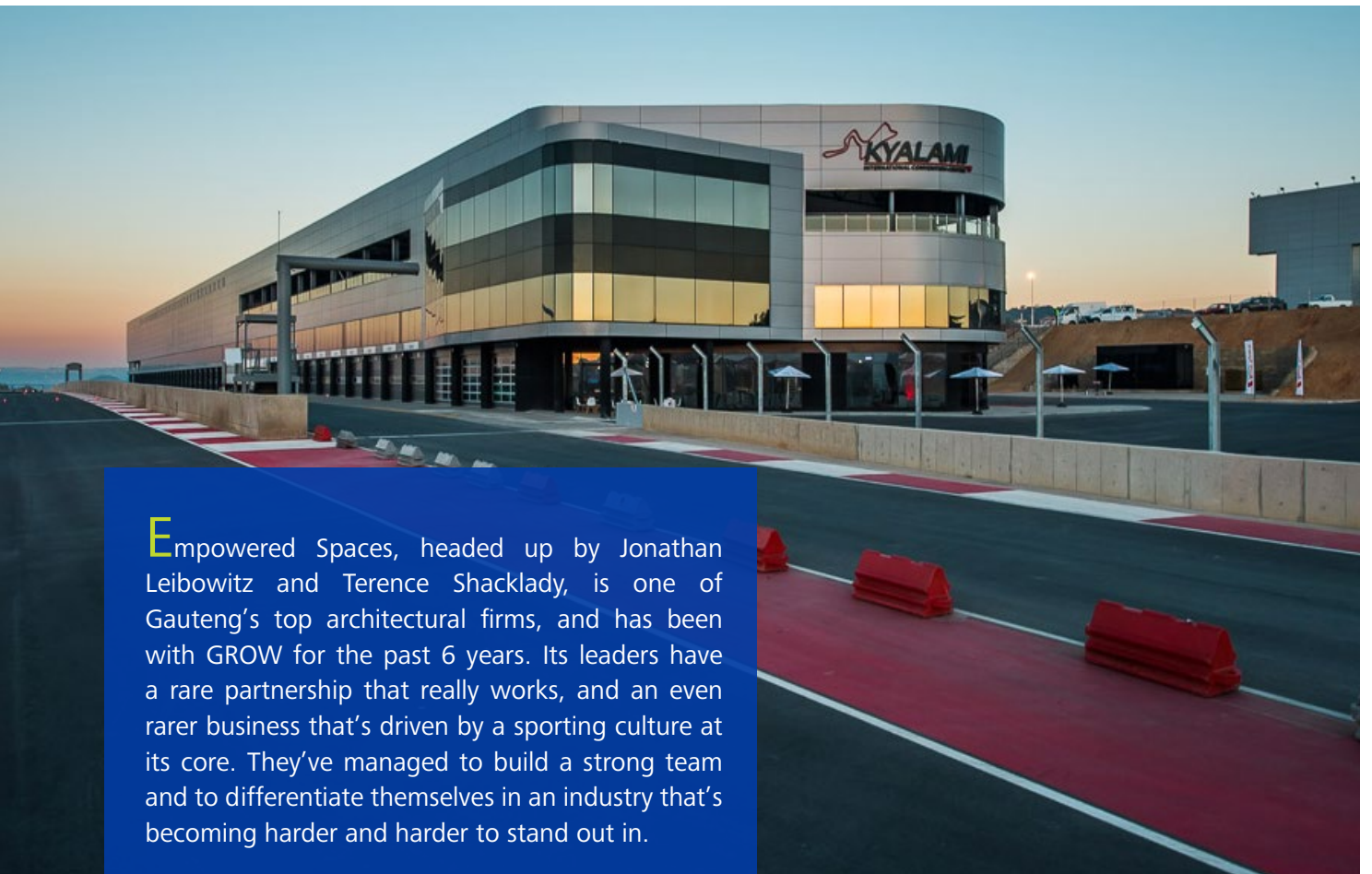




EMPOWERED SPACES

**USING SPORTS PRINCIPLES TO
BUILD A THRIVING BUSINESS**



Empowered Spaces, headed up by Jonathan Leibowitz and Terence Shacklady, is one of Gauteng's top architectural firms, and has been with GROW for the past 6 years. Its leaders have a rare partnership that really works, and an even rarer business that's driven by a sporting culture at its core. They've managed to build a strong team and to differentiate themselves in an industry that's becoming harder and harder to stand out in.

FAST GROWTH THROUGH PASSION, HARD WORK AND OPPORTUNITY

Jonathan Leibowitz founded commercial architecture firm, Empowered Spaces, in 1996. Three years later, he was awarded a big commercial project and invited Terence Shacklady to join him as his first full-time employee.

Terence, at the time, had just completed 18 months of post-graduate work at his first job, and jumped at the opportunity. "Like everyone else, I wanted to join a business where there was opportunity and growth, and Jonathan had landed a very nice project, so off we went", Terence recalled. This was certainly the opportunity that ignited the fast growth this phenomenal company saw in those early years.

The pair seemed to just work even then, as employer and employee. They both oozed passion and enthusiasm for what they did and worked exceptionally hard. "As a small business at the time, we worked long hours, well into the night; we worked on weekends – whatever it took to get some traction," said Terence.

When asked if the fast growth they enjoyed in their early days had always been a goal of theirs, Terence, who later became a partner in the business in 2007, said "For me, there was no plan. We had a "sporting" attitude – we'd try together, we'd win and lose together.

It was the kind of environment I wanted. There was just a common vein that Jonathan and I shared in that we had an unbelievable work ethic. We were determined, and every opportunity that came our way – whether it was a dog kennel or a head office – we would put as much effort and enthusiasm into it and that translated into growing the business."

“ We want to keep our clients happy and to give them the best service

BECOMING A RESPECTED LEADER IN ARCHITECTURE

As one of the top architectural firms in Gauteng, Empowered Spaces is focused on the experiences of their staff members and that of their clients.

Their work enjoys high visibility along the N1 highway in Johannesburg – having designed the Cell C, Norvatis, AMROD and Westcon buildings that are situated in the highly acclaimed Waterfall precinct. The company is set apart in the market by the culture in their business. “We want to keep our clients happy and to give them the best service”, said Terence “We have happy, motivated teams, and that helps us to deliver to our customers.

Our customers continue to support us – the way we treat and interact with them is important because we want them to be successful.” In addition to their happy staff that go the extra mile to deliver stellar service, Terence says that one of the fundamental factors that sets them apart is their ability to realise what the client’s goal really is. “The service we offer, anyone can do.

There are many people who can design your office or warehouse for you, but if someone sits with you and gives you advice on where to buy the land or how to build or what makes a good investment, like we do – you get a lot more value.”

IDENTIFYING AILING PROFITS AND UNPLEASANT WORKING CULTURE

This phenomenal culture hadn’t always existed in the business. Despite their growth and early successes, Jonathan and Terence knew that something was not right with how the business was performing.

“During the years of 2008 and 2009, we had grown to 30 odd staff with 2 offices, but we were not really making money”, Terence said. “We had no standards or manuals and we had no structures in place. We had all these opportunities that came our way, but we were not able to translate them into a profitable business.

We also had a bad ethos and culture within the business. It was a negative environment where people didn’t really enjoy what they did. Jonathan and I were working and loved what we did, but the employees were generally not that happy. This was because of the way the business was managed – it was us.

Not that we were negative people, but we were not managing the business in ways that would keep our staff happy and productive.” The pair knew that something had to change.





FIRST STEPS TOWARDS A BETTER FUTURE FOR THE BUSINESS

Jonathan was largely responsible for bringing in the majority of the opportunities, so Terence took it upon himself to translate those opportunities into a successful business. “I was referred to GROW by a good friend of mine”, said Terence. “We sat down with a GROW coach to figure out how we could realise the potential of this business. Our goal was to understand what was going wrong with the culture and why we could not realise the profits we knew we should have been making.”

Expanding on the depth of their business challenge, Terence said “People look at profit merely as making a percentage on what you sell, but you have to be able to reinvest some of that in your business. On one end you may ask, ‘Do you make more money than you lose’, and ‘Do you make what you believe you should be making?’ But then there’s the question where you ask if you are making what you should be making in order to reinvest or run this business in the way that it should be run.

You can’t have incentives, provide training and invest in technology without making a decent profit, and we were just not there. But in essence, what we really wanted to fix was not the money – it was the culture in the practice.”



APPLYING THE PHILOSOPHY OF SPORTSMANSHIP TO BUSINESS

To address their business challenges, Terence looked to sports: “One of the fundamental philosophies I’ve always had is that I want to have a sporting relationship with my employer and with the people I employ. If you look at sports teams and the way they are managed – they are paid and rewarded based on their performance, not just as individuals but also as a team. The relationship there is that you win together and you lose together.

If you take that to a business sense, that’s the way I wanted to be treated. I didn’t want to be regarded as just an architect with 5 years’ experience, therefore, I should be paid X. I was young and motivated, so if I could operate as an architect who was 40 or 50, what was the relevance (of the typical methods of remuneration in the workplace)? So, we took that philosophy and mentality to our team and that’s been the heart of how we built the business going forward.

Whether it was the culture, the vision, metrics, developing standards and manuals – all of it relates to how we can improve as a team. Success is not just money, it is creating a great work environment, developing skills in people, growing people within the business and contributing to the community.”

USING THE SPORTING PHILOSOPHY TO ADDRESS PERFORMANCE ISSUES IN THE TEAM

“ In the first year (of coaching), we established that we wanted to have a sporting relationship, and that we wanted to all win and lose together. And like all management initiatives, your staff look at you with a bit of trepidation initially. But we introduced metrics to measure the performance of the business and the staff. In investing those metrics, we then found out why things were so bad.

One of the fundamental discoveries was that 80% of the work was being done by 20% of the staff, and 80% of the staff were losing money. It wasn't necessarily their fault, it was just the way the whole thing was managed. From a financial sense, there was already a clear problem, but in order to fix that, we didn't run an accounting exercise, we ran a sporting exercise. We found a way to measure the staff fairly, and we gave them both individual and group incentives.

Group incentives ensured that the individuals in the office work as a team, with a common goal. Within the first year, we doubled the size of the business. People started to realise that despite their anxieties about getting measured, they were starting to get better at what they did – they were getting fitter and stronger, so we implemented it again the following year. People realised that the system was designed to help them perform – not to catch them out. Building on from that, 6 years later, we've systematically improved both company and individual performance and that all relates to a sporting attitude.”

Terence spoke of how many of their new employees come into Empowered Spaces being skeptical of how true the business is to their emphasis on creating a good working culture centered around sporting principles. “It takes them about 6 months to a year. Once they've gone and won the leagues and got the trophies, we see a culture change. We have open discussions with our staff. We are very transparent about where we want to be, and how we want to get there and we find that the staff are now all wanting to contribute.”

IMPROVING QUALITY OF WORK THROUGH SYSTEMS, STANDARDS AND MANUALS

With every year of coaching, Terence and his team concentrated on different aspects of the business. In year two of coaching, after dealing with metrics to develop a healthy business, the team at Empowered Spaces started to work on standards and manuals to improve the quality of their work. They invested in internal and external training, developed standards, manuals and checklists.

This, Terence said, was very much a part of effectively infusing the company's vision and culture and making it stick. “There is a relationship between metrics and vision, culture and standards,” Terence explained. “These things all link. You can't have metrics where you have a poor culture, and you can't have a great culture when you don't have good performance. So, every year we have concentrated on different building blocks – concentrating on one, and then reinforcing the others.”

Empowered Spaces demonstrates that paying attention to company culture, measurements, and hiring good quality people is critical for growing a successful business. Under the leadership of Jonathan and Terence, who are both passionate about what they do and dedicated to keeping their staff and clients happy, the business is a fun, inspiring place to work. “We've done extremely well as a business. If you look at our financial performance vs where it was, it's fantastic. We've got a bigger business and we're doing better than we ever believed we could. But the real achievement is that we've got a great culture, we have a great team of people, we've seen people grow and develop, and we've seen them buy into the system.”



BUSINESS COACHES – AS CRITICAL TO BUSINESS AS SPORTS COACHES ARE TO SPORTS

Describing how business coaching contributed to his business and their challenges in particular, Terence said “Our coaching relationship (with GROW) really took the sporting sense of coaching, where you have lots of individuals, lots of ability and lots of opportunity in the league you play in, but you’re just not translating that into success.

You might have successful projects and instances, but if you looked at the overall success of the office, we were lacking. So, initially, our coach told us to go and look at metrics. He asked us, ‘How do you measure the business? Where does your work come from? Who does the work?’ He was there to guide us, not implement for us. Because of questions being asked by our coach, I invented tools and systems to measure the performance.”

Terence elaborated, “If you look at any successful team, athlete or performer, they always have professional coaches giving them feedback; guiding and steering them. They are not going to do the work for you – they won’t climb the stairs or run the marathon, but they will point you in the right direction and give you impartial perspective on where you are. If you want run a marathon, you get advice on technique and nutrition, so on that premise, why shouldn’t you have someone as a business coach? You might be the best soccer player in the world but if you don’t have the best coach, you’ve got a problem.

There are some things you don’t understand, that you have never been exposed to that might be inhibiting your performance, and you are not often gifted with self-perspective so to have someone look at you impartially and hold you accountable – that’s an important thing. Just because you own a business doesn’t mean that you are a leader, or a psychologist. Coaches, for me, are people who show you what you don’t know, giving you an opportunity to improve your personal and business performance.”



GROWING IN A DIFFICULT ECONOMY

Like many other businesses, Empowered Spaces is feeling the effects of a difficult economy. “The realistic view is to keep your head above water and to maintain the business that you have”, Terence said. “The industry has contracted, so realistically you have to accept that people are holding onto money and don’t want to invest.

But our view is that we still have a vision, we still believe in what we do – we must find more work, we must diversify, we must work harder and smarter. We are not using these challenges as an excuse – we are trying to use them to steer the decisions that we make in a positive way.

As long as the potential in this country is more than what we need to make this business successful, then we’ll keep on hunting it.” With this attitude to success it is not wonder that Empowered Spaces had its most successful year in 2017, one of the toughest for the South African economy.

“ If you look at any successful team, athlete or performer, they always have professional coaches giving them feedback; guiding and steering them. They are not going to do the work for you, but they will point you in the right direction and give you impartial perspective on where you are



CONTACT DETAILS

T: +27 11 234 3453

E: info@grow.za.com

W: www.grow.za.com