



Starting up a firm of architects

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To start up a firm of architects of your own is to jump in at the deep end. An architect is first and foremost trained as a technical expert and designer. As an entrepreneur, the architect must have determination as well as commercial, organisational and administrative capacities.

Many architects who are starting out their careers as employees see a firm of their own as the ideal. Others are obliged to start up on their own after they lose their job. Many architects try it every year, but a good many firms soon disappear again after a short period of time. A good preparation is essential for a successful career as an architect with your own practice.

Starting up an enterprise calls for insight into the market, the financial possibilities, and the feasibility of plans and objectives. You can obtain that insight by systematically putting a number of points together in a business plan. The business plan is also important for other parties, such as financiers, to obtain reliable information about your business activities.

Starting up

Starting up suddenly usually begins with a commission from people you know or with winning a design competition. Everything is focused on carrying out the assignment to the best of your ability. It is important not to forget to work on the continuity of the new business.

The gradual approach usually proceeds via employment that is turned into a practice of your own. The advantages of this approach are the practical experience and the contacts you have made. It has disadvantages too. Instead of carrying out instructions, you have to weigh up options and make choices yourself. And instead of receiving a regular salary, you have to spend before you earn anything.

Personal situation and capacities

The first question to ask yourself is: 'Do I have the requisite capacities and am I capable of making the necessary sacrifices? For example:

- Why do I really want to start up on my own?
- Do my partner or my family back up my plans?
- Am I prepared to limit private spending to strengthen the financial position of the firm?
- Do I have sufficient knowledge and relevant practical experience?
- Shall I start up as a one-man business, or together with an (experienced) colleague?

Forms of partnership

Working together with established colleagues can offer security for both the architect-entrepreneur and the client. The partnership can vary from intensive to no-strings attached and may be structural or for the duration of a single project.

A part-time start is also a way of enhancing security: cautiously starting with commissions with your own firm on the side while you are still employed. Make clear agreements with your employer, especially to avoid a clash of activities or copyright issues.

Finally, it is possible to carry out assignments on the basis of a freelance agreement, for example for fellow architects. Characteristic of this form of work is that you work on your own as a freelance and are thus not in a relation of authority towards the client.



Advice

You can consult advisors on specific financial and legal questions, but that is no guarantee of success. Personal capacities and entrepreneurial spirit are decisive.

Various organisations offer information, advice, lectures, network meetings and courses, such as the BNA, BNSP and NVTL. The Chamber of Commerce and the Tax Office also have extensive information for entrepreneurs who are starting up a business. Contacts with fellow architects can be very useful too.

Positioning

Mission, Vision, Strategy

If you start your own company, it is important to clarify what you want and how you position yourself towards the outside world. Starting point is your mission, your vision and your strategy.

Define your mission: What is your right to exist as an architect? What is your identity? What are you doing? Who are your customers? Although you can make these statements at any time, they are to be applied at this time.

Your vision is about the ambition that you have on the long term. Where do you want to go? What skills you need to develop? What is your desired dream situation?

How will you achieve your goals? What measures are necessary? How will you communicate that? You look outward and forward, that's your strategy.

Regulations

Permit to establish a business

An architect does not need a permit to establish a business, a nuisance act permit or any other kind of permit, but registration with the Chamber of Commerce is compulsory.

Register of architects

It is forbidden to use the title architect without being listed in the Register of Architects kept by the Register of Architects Bureau in The Hague. The use of combinations of words in which the title or its abbreviation are found is also limited to persons who are listed in the register. Only registered architects are allowed call their firm a firm of architects. There are certain qualifications required for listing in the register.

Tax Office

All architects have to deal with income tax and value added tax; only architects who run a private company (BV) also have to deal with company tax. There are a number of special income tax deduction items for entrepreneurs (who are starting up a business), such as the self-employed deduction, the deduction for starters, the deduction for assistance by an unpaid partner, the investment deduction, and the private pension allowance.

A firm of architects that employs personnel is obliged to deduct and pay income tax and various national insurance contributions (such as WW and AOW).

Administration and insurance

Administration

By law, an entrepreneur must be able to provide a financial picture of his business at any moment. A good administration is necessary for the running of the business as well. As a starting entrepreneur, you must keep your administration in order right from the start.

Financial administration (accounting)

The financial administration is relatively simple and limited in scale. The primary objective is to obtain a picture of the income and expenditure of the firm at regular intervals.

Project administration

Project administration offers a breakdown of the expenses and revenues per project per (subsidiary) stage. Since projects are the source of profit and losses, a continuous control and monitoring of the



expenses and revenues is essential. The basis of the project administration is a careful record of hours and expenses, as well as a comprehensible method for calculating the cost price.

Salary administration

This only applies to firms with personnel. A self-employed person is not affected by it. The primary objective of the salary administration is to calculate the gross and net salaries and to calculate the various deductions for income tax, national insurance and pension contributions, etc.

Insurance

To run an enterprise is to run risks. An inventory of risks is important. There is a distinction between necessary (or highly recommended) insurance and worthwhile insurance. A liability insurance usually is compulsory for architects. You take out necessary insurance policies for property, stock, car and medical expenses. Worthwhile insurance policies include loss of profits, incapacity for work, legal aid and death. Firms of architects that employ personnel can also take out insurance policies that pay during the illness of an employee.

Planning and Forecasting

Who, What, Where, How

The projects where architects work are often subject to dynamic processes around the project itself. Think of market conditions, public inquiries, legal proceedings and a lot of consultation.

A good planning is therefore essential, but difficult to make. The planning of your workflow (how many people are needed to realize the work) and your liquidity (when do you get income) require regular updates to keep a grip on your business and projects.

Housing

Your desk, office, studio, or workshop?

Many architectural firms, so the story goes, started at the kitchen table. In principle, there is often not much space needed. A desk and a place to fold open drawings are often enough. At one moment you may need a workshop to create models, space for an archive, a meeting room or multiple workstations.

Many architects search space in a collective building where they can share facilities. The size of the firm may fluctuate, and thus the need for housing. So look for a place where you are not tied to long contracts so you can shrink or expand rapidly.

Both a floor on the canal as a place in a warehouse on the outskirts of the city can satisfy very well. With your workplace you demonstrate who or what you are as an architect. It can be part of the PR of your firm, but also where you stand for.

Contracts and terms of employment

Standard contracts with clients

Most architects work with the BNA standard contracts: The New Regulation (DNR-2011) for larger assignments, and the Consumer Regulation (CR-2013) for smaller ones. The BNA site also provides general terms and a standard task description, for example.

Terms of employment for employed personnel

A collective labour agreement (CAO) applies to personnel employed by firms of architects. It contains provisions on appointment, classification of function, salary, holiday entitlement and other terms of employment. Every employer in this branch is obliged to apply this agreement. The BNA has drawn up model agreements.

Pension Fund

The architecture branch has a *Pension Fund for Firms of Architects* and a *Fund for Firms of Architects*. Employers are obliged to make the pension contributions and the contribution to the Fund for Firms of Architects for every employee. The task of the Fund for Firms of Architects is to partially or wholly fund and subsidise activities aimed at the optimal socio-economic functioning of firms of architects.



More information

- [BeroepKunstenaar.nl](#): info on *law & contracts*, on legal forms and liability, *income & tax*, on *social insurance* and *tax, business plan*
- [BNA](#): Association of Dutch Architects
- [BNSP](#): Professional Association of Dutch Urban Developers and Planners
- [NVTL](#): Netherlands Association for Garden and Landscape Architecture
- [Stichting Fonds Architectenbureaus](#): Fund for Firms of Architects
- [Pensioenfonds architectenbureaus](#): Pension Fund for Firms of Architects
- [Kamer van Koophandel](#): Chamber of Commerce
- [Tax Office: business, starting up or stopping an enterprise](#)