LEARN BY DOING: GROWING A FIRM IN SAN LUIS OBISPO: A BRIEF HISTORY OF RRM DESIGN GROUP

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This article tells us the history of RRM Design Group, a successful local firm that specializes in architecture, civil engineering, landscape architecture, planning, and surveying. Founded in 1974, RRM has strong links to Cal Poly and holds its headquarters in San Luis Obispo with offices in San Clemente, Sausalito, and Oakdale. The firm is known for the quality of their work and its concern for livability and sustainability. Learn more about RRM at www.rrmdesign.com.

It is not uncommon to hear of a Cal Poly graduate heading a start-up that becomes a national phenomenon. Do Jamba Juice® or Lindamood-Bell® come to mind? Combined with an entrepreneurial spirit, Cal Poly's "Learn by Doing" philosophy has proven to be a strong catalyst for graduates to create successful business ventures. But once out of the University environment, how do these new graduates keep the momentum going?

RRM Design Group (RRM), an established San Luis Obispo-headquartered design firm, understands what it takes to succeed. Cal Poly graduates have played a significant role in RRM's longevity. Approximately 60% of RRM's current staff members and four of their nine shareholders are Cal Poly alumni.*

* Cal Poly alumni who are mentioned in this article are denoted with the asterisk symbol.

RRM started as a local San Luis Obispo Architecture firm in 1974. They have since grown into a widely known and respected California design firm, providing architecture, civil engineering, exhibit design, landscape architecture, planning, and surveying services. RRM started with four employees, and has grown to a professional staff of over 150 with four offices throughout the state.

RRM's strategies and observations from the last 33 years in business provide insight to those looking to start a venture of their own.

1974-1980: The Art of the Possible

Taking A Chance

In 1974, three College of Architecture and Environmental Design students, Bob Richmond, Rob Rossi, and Ken Wolff, asked each other, "Can we start an architectural firm in San Luis Obispo that can make us successful and that will endure over time?" The answer was an unequivocal "Yes!" They recruited Professor Tom Priest, and on November 18, 1974, Priest, Richmond, Wolff, and Rossi (PRWR) was born. Rossi was appointed as President.

Armed with little more than enthusiasm—and Tom Priest's architectural license—PRWR became widely known in San Luis Obispo as "that place on Marsh Street where the lights stay on all night."

Running A Business Can Be Tough

"In those early days, it was all about figuring ourselves out professionally and financially," recalls Rossi. "Success was about paying the bills. We were able to build a strong bond from that early collaboration, the desire to succeed, and the desire to do good architecture."

Figuring themselves out turned out to be harder than they imagined. With no business experience, PRWR was functionally bankrupt by 1976, the same year Victor Montgomery* joined the firm.

"My first few months were tough," remembers Montgomery. "The nation was just coming out of The Oil Shock Recession, and business was hard. We had to borrow money to make payroll." When asked why he persevered, he is nonplussed. "I love to be in business. What better life is there?"

Working Hard As A Team

One of the first projects commissioned to PRWR, Victoria Square in downtown San Luis Obispo, was a bonding experience for the group. PRWR was hired to design a 12-unit residential complex. When the firm showed their Victorian-style concepts to their developer client, they were fired on the spot. "We felt it was the right idea," says Rossi. "We stuck by our design as good architecture."

Figure 1
Prince Memorial
Greenway; Santa Rosa,
CA.

The project was picked up by another developer who was thrilled about PRWR's vision, but the project was halted once again—this time by the city. PRWR worked hard to keep the project moving forward. And move forward it did. Upon completion, recognition and publicity validated the firm's strong stance. Victoria Square won the prestigious Building Industry Association (BIA) Gold Nugget award, the Homes for Better Living Award from AIA/Housing Magazine (a national AIA award), and the highest local award from the Obispo Beautiful Association (Award of Merit), and was also published in a Swedish magazine as an early example of urban infill.

Struggling together on the project brought the team even closer. "Victoria Square was a turning point for the firm," says Rossi. "It was never an internal issue. Each of us put the views of the team ahead of our own. We pulled together."

1981-1990: Creating Environments People Enjoy®

Restructuring For Growth

In 1981, Montgomery succeeded Rossi as President, and the company was re-named Richmond Rossi Montgomery (RRM). Rossi left RRM, moving on to local development projects. With an established Architecture Group in 1983, Montgomery recruited long time friend, T. Keith Gurnee*, to build and diversify RRM's Planning services. A former City Councilman for San Luis Obispo and a former Planning Director for Morro Bay, Gurnee was well suited for this role. He led the successful

Figure 2
RRM's CEO, Erik Justesen, ASLA, in front of the San Luis Obispo office.

completion of key local planning projects, including the Pismo Pier in Pismo Beach and the Varian Ranch Ag Cluster in San Luis Obispo. Continued success fostered company growth—they had 28 employees by 1982.

Creating A Clear Identity

In 1985, RRM changed its name to RRM Design Group, and created its Mission Statement: Creating Environments People Enjoy®, which remains the key message of RRM's philosophy.

RRM's CEO, Erik Justesen, expresses great satisfaction in regards to their mission. "It embodies the culture of our firm," he states. "It is our driving force. Decisions, both long-term and short-term, are focused on what ultimately will provide enjoyment to our clients and employees."

This clear focus led to more growth and market expansion, developing portfolios in Urban Waterfront Design, Master Planned Golf Communities, and Commercial/Office Design. One RRM solution to land use concerns resulted in the first Agricultural Clustering Ordinance in the State. RRM subsequently designed and obtained approvals for Varian Ranch, the first pilot project under the ordinance.

As RRM increased its range of projects, they required additional in-house expertise. Future shareholders John Wilbanks* (Planning), Erik Justesen*, and Jeff Ferber* (Landscape Architecture) were hired, and Civil Engineering was added as a new service.

Looking Towards The Future

As RRM began to grow, shareholders started thinking about RRM's future. In a first attempt at a Long Range Plan (LRP) document, shareholders wrote down their future goals. Strengths, weaknesses, staffing needs, and billing forecasts were incorporated.

In regards to the initial LRP document, Montgomery thinks back, "It was very simple. This 'document' was three sheets of hand written notes on yellow lined paper. At that point, long range planning was more of a compelling statement to each other that we were in this for the long haul."

Realizing there was potential for future work in the Central Valley, Gurnee began traveling to tap into these new markets. After landing a number of projects in Merced, Modesto, and Sacramento, it became apparent that the firm would not only have to expand its staff to meet the growing body of work, it would need to have offices closer to the work sites.

1981-1990

RRM's third office
555 Chorro St.

RRM's second logo

Pismo Beach Waterfront
Urban Design Plan

Varian Ranch
Ag Cluster

RRM's fourth office
The Promontory

'81

'82

'83

'84

'85

'86

'87

'88

'89

'90

1991–2000: Reaching Beyond the Central Coast

Defining Detailed Long Term Plans

As the 90's recession hit the nation, RRM continued to grow, as did the confidence in its long-term future. The shareholders created and adopted a more formal LRP as the outline for future planning. "This new LRP included visioning for the long-term future, goals for 5, 10, and 20 year increments of the future, and an implementation plan," explains Montgomery.

Sustaining Growth

In 1991, John Wilbanks* opened RRM's first branch office in Modesto. He became a shareholder in 1992. "About 1985, Keith and Vic involved me in their discussion regarding long-range growth of the corporation," John recalls. "In my recollection, it is in those meetings that RRM's long-range plan was changed from being a single location, campus-style corporate headquarters in San Luis Obispo to being a corporation with multiple offices of 50 to 70 people each. We felt this would allow us to maintain the unique family culture that RRM has historically provided while growing the company."

This new office offered planning services for projects, such as the Lincoln Downtown Urban Design Plan, Del Rio West in Stanislaus County, the Newman Downtown Revitalization Plan, and the Lincoln Twelve Bridges Specific Plan. With new projects in Modesto and commissions for the Venice Beach Ocean Front Walk Refurbishment Plan, the Calabasas Old Town Revitalization Plan, and city parks projects for San Luis Obispo and Modesto, RRM began to emerge as a leader in urban design. It was also during this period that a deliberate niche marketing effort of the Architecture Division—fire stations—was established.

In 1995, RRM acquired Tierra Engineering, and future shareholders Jerry Michael and Tim Walters brought new capabilities to the firm, expanding on Civil Engineering services and adding Surveying services. By 1996, the Modesto office relocated to Oakdale, California, the "Gateway to Yosemite." The Oakdale office quickly grew to a staff of 12 employees working on projects throughout the Central Valley, from Fresno to north of Sacramento. In 1998, Greg Peters was hired as the CFO. Shortly thereafter, in 1999, future shareholder Kirk Van Cleave was hired to manage Oakdale's Architecture Group and Jerry Michael became a shareholder of the company.

Figure 3
Avila Beach Front Street Enhancement Plan; Avila Beach, CA.

1991-2000

Figure 4
Northeast Turlock
Master Plan;
Turlock, CA.

2001-2007: The Business Matures

Refining Business Practices

At the beginning of the new millennium, RRM reached a milestone of over 100 employees. RRM opened offices in Healdsburg (which moved to Sausalito in 2006) and San Juan Capistrano (which moved to San Clemente in 2007), and designed their new headquarters in San Luis Obispo. Erik Justesen and Jeff Ferber were named shareholders in 2000, followed by Greg Peters in 2002.

The scope and scale of RRM's projects continued to grow, and many of the largest projects designed by the firm were implemented. As RRM grew and matured, the firm's business management practices began to require significant focus. Personnel Management, Human Resources, Finance and Capital Management, Long Term Planning, and Ownership Transition began to be the language of managing the firm.

During the period from 2000 through 2004 managers and owners of the firm focused heavily on learning the language of business. The firm adopted a clear ownership transition plan and began implementing it, focusing very specifically on assuring that the firm will survive the transition from the current owners to new generations of owners who will lead the firm into the future.

The firm's Board of Director membership was limited (to 5 members) for the first time in its history. The firm also sought to significantly widen the knowledge base for future leadership and management through the creation of several committees of the Board of Directors, which included participation by the firm's Associates. These committees were given significant review and decision making authority in aspects of the firm's operations, such as employee benefits, insurance, compensation, and professional practice and technology.

The first major change in RRM's management/leadership was the transition to a new CEO, Erik Justesen, in 2006. As CEO, Erik has built a reputation for caring about RRM's "Family Culture." In addition, sustainability has become a strong focus of RRM's expertise and core values.

"Our staff members are spirited, dedicated, and extremely talented. They are the source of energy, excitement, and ideas that add value to our clients projects," explains Erik. "As a leader at RRM, I strive to ensure that our employees feel valued for their contributions, and that they feel a part of our RRM Family."

Additional shareholders were named in 2007: Kirk Van Cleave and Tim Walters. RRM's ownership transition will continue in 2008 and 2009, resulting in a new leadership team for future decades.

2001-2007

2001-2007: The Business Matures

Defining Target Markets

Having created and begun implementing a leadership and ownership transition plan, RRM took a closer look at their services and how these services were structured for delivery and for marketing. It was time to clearly align these services with staff's professional passions, market demand, and client expectations.

RRM strategically reorganized and re-branded itself with a market-focused philosophy, selecting six market sectors to reflect the firm's experience, provide services to a solid cross section of public and private clientele, and provide work and growth opportunities to its employees.

Community Planning & Design: RRM's Planning and Engineering groups plan and design for new communities and neighborhoods. Typical services include Infrastructure Master Plans, Specific Plans, and Community Plans. Recent projects include the Northeast Turlock Master Plan, Copper Trails Neighborhood Master Plan in Ceres, and The Woodlands Specific Plan in Nipomo.

Civic & Public Safety: The Architecture group does pre-design and design for civic buildings and public safety facilities. Typical services include feasibility studies and building design. Recent projects include the Ventura County Emergency Operations Center and Hollywood Fire Station No. 82. This group has three completed, three under construction, and for in progress LEED certified Fire Stations throughout California, including the State's first "Gold" certified station. They also maintain their own website for fire station design: www.firestationdesign.com.

Education: The Architecture group also does pre-design and design for education campuses and facilities. Typical services include programming, feasibility studies, master planning, and building design. Recent projects include the Cal Poly Master Plan, the Cal Poly Alex Spanos Stadium, and the San Juan Capistrano University Master Plan.

Parks, Trails & Open Space: The Landscape Architecture group designs parks, trails, open space and their related facilities. Typical services include design of parks, trails, and open space plans. Recent projects include the El Corazon Community Park Master Plan in Oceanside, Santa Ana River Bike Trail in Riverside, and the Venice Beach Skate Park.

Urban Revitalization: The Planning and Architecture groups plan and design for existing communities and urban neighborhoods. Typical services include revitalization or new design of streetscapes, downtowns, and waterfront areas. Recent projects include the Huntington Beach Downtown Specific Plan, Platinum Gateway Mixed Use in Anaheim, the Scotts Valley Town Center Specific Plan and EIR, and the Marina Beach Strategic Plan.

Each of these areas of the firm are consistent with RRM's desire to maintain involvement in communities where their offices reside. Recently completed San Luis Obispo local projects include the Paso Robles' Rabbit Ridge Winery, the Madonna Plaza Revitalization, and Dalidio Ranch Master Plan.

Figure 5
Hollywood Fire Station
no. 82 – Tracking
LEED Certification;
Hollywood, CA.

Learn By Doing

The first few years of the 21st century have been a period of significant planning for RRM's future, creating the tools and structure that will allow it to continue to grow in coming decades. Although the days and nights spent on campus learning individual professions are in their past, the lesson of "learn by doing" and the spirit it embodies continue.

"Going forward, we believe that the effort spent in developing our firm's infrastructure is key to allowing future generations of practitioners to focus upon their craft and become masters of client service and **"Creating Environments People Enjoy®,"** explains Montgomery.

Figure 6
Cal Poly State University Master Plan; San Luis Obispo, CA.

Figure 7
The Woodlands Specific Plan; Nipomo Mesa, CA.

Figure 8
Downtown Huntington Park Specific Plan;
Huntington Park, CA.

Figure 9
Twelve Bridges Master Planned Golf Community;
Lincoln, CA.

Figure 10
Pismo Beach
Promenade, Urban
Design Revitalization
Plan; Pismo Beach, CA.