



## MBA IN THE ALPHABET SOUP

BY PAUL TARRICONE

Michael Gehring is that rare breed—a lighting professional who counts an MBA among his many credentials

**M**ike Gehring has a passion for lighting design and a head for business. And that makes him something of an anomaly within the lighting design community. Gehring, principal and CFO of Kaplan Gehring McCarroll Architectural Lighting, Los Angeles, has an alphabet soup of industry accreditations after his name—AIA, IALD, LC and LEED AP—but the most unusual may be the MBA he earned at the UCLA School of Management.

That MBA puts him in pretty select company among lighting designers. “I thought I might be the only one, but then I met a guy from India at the IALD meeting last year in Montreal and saw ‘MBA’ on his business card,” he jokes.

Gehring, who will offer a “90-Minute MBA for Lighting Designers” during his LIGHTFAIR seminar, isn’t surprised that some designers shy away from the business side of the practice. “Some are better at business than others, but it’s easy to take a design mind and apply it to business problems.” The key is to “balance both. Never think about one without the other. Each has implications for the project, the client and society. To know business gives you strength when talking to the client. If

you go in and say of your design, ‘this beautiful, this is my vision,’ [without considering its cost implications] the client will laugh you out of there.”

Gehring came by his pursuit of an MBA—and his career in lighting—after graduating from USC School of Architecture with a bachelor’s degree in 1981. “I was an architect and wanted to be a real estate developer so I went for an MBA, but then a recession hit and nothing was happening.” He then pivoted to architectural lighting and speaks to today’s architecture students about looking beyond that core discipline to subspecialties such as lighting. “I guest lecture at USC to both undergraduate and graduate students. I talk about life and careers and promote lighting design as a viable alternative to architecture. The school promotes architecture/designer jobs, but only something like 3 percent of the class will end up as architects.” Ever the businessman, Gehring keeps an eye out for new talent during his lectures at USC; many of these students have ultimately been hired by KGM.

### ‘WHAT DO WE SELL?’

When conceiving their marketing plans, Gehring challenges lighting designers to ask themselves, “What



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## SPEAKERS IN THE SPOTLIGHT

do we sell?" Obviously, it's not just lighting design services. Gehring says a firm can position itself as one that "focuses on end results vs. one that focuses on process/assimilation." Each has its strengths and weaknesses, and one or the other might make more sense depending on the client. Gehring offers this example: A firm that focuses on "end results" might offer a dazzling lighting design but may miss deadlines, not return phone calls, produce incomplete design plans and otherwise disrupt the project team. A firm focusing on "process/assimilation" might be great to work with, come to all the meetings, but produce a less-than-memorable design. That might be okay if the client needs a scheme in one day and just wants to keep the project moving. In any case, firms should know where they are on this spectrum and play to that strength.

In regards to firm management and recruitment, Gehring insists that "money doesn't motivate people. It's short-term; two weeks after getting a raise they will still have the same problems." The way to attract the best people is to offer a pathway to ownership from the time they're hired. "When I interview people, I tell them that if the principal of a firm is 62 and the rest of the staff are in their late 40s and don't have ownership in the firm yet, that firm will probably die when the star retires."

Gehring offers this word of advice for those contemplating the MBA track. "I use it every day, but I did it in four years at night. Go full-time over two years." Next to that, the "90-minute MBA" he's offering sounds like a walk in the park.

### TO LEARN MORE

#### 90-Minute MBA for Lighting Designers

Friday, May 30, 2008, 8:30-10:00

**Mike Gehring, AIA, IALD, LC, LEED AP**  
**Principal, CEO, KGM Architectural Lighting**

Many business concepts that I learned at the UCLA Anderson School of Management are applicable every day in our architectural lighting design practice. What took me four years of night school will be imparted to you in 90 minutes.

**Economics:** Supply / Demand. Real estate cycles.

**Marketing:** What do we sell? Who's our market?

**Finance:** Ratios. Risk vs. reward. Gross income and profit per person. Market-based vs. cost-based fee.

**Firm Organization:** Start ownership transition now. Motivate staff. Attract best people. "Bet Your Company" firms vs. "Job Shop" firm.

**Competitive Strategy:** Diversify geographically and by building type.

**Statistics:** Expected value analysis.

1. Know how to understand your firm's target market and tailor to it.
2. Learn basic financial concepts to help maximize your profits.
3. Learn ways to structure your firm's future to maximize its value and attract the best people.

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