Strategies for a Successful Surveying Business

(the Surveying is the easy part)

Minnesota Society of Professional Surveyors

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Things to Know in Order to Run a Successful Business

▸ Your Employees
“Your employees come first. There’s no question about that. If your employees are satisfied and happy and dedicated and inspired by what they are doing, then they make your customers happy and they come back ...”

Herb Kelliher, Southwest Airlines

“Don’t worry about profit. Think about customer service. Profit is a by-product”

Herb Kelliher, Southwest Airlines
Knowing your Employees

- Where do you get them?
  - Advertising
  - Recruiting
    - Self
    - Head Hunter
  - Interns (Summer & Co-op)
  - Build a Reputation

Treat Employees with Respect

- Build and Maintain Trust
- Respect those not Present
- “No Secrets”
- Overcome Communication Impairment
- Listen First
Appropriate Company Benefits

- Vacation & Sick Leave
- Holidays
- Medical Benefits
- Life Insurance
- Retirement Plans

Appropriate Company Benefits

- Professional Liability Insurance
- Disability Insurance
- Company Vehicle
- Education benefits - Training
Appropriate Company Benefits

“The only thing worse than training someone and having them leave is not training them and having them stay.”

Henry Ford

Appropriate Company Benefits

75% of the employees that leave companies do not leave because of pay, they leave because of relationship issues.
Have a Vision

“Be a premier, multi-state firm providing professional services in a work environment that attracts and retains great talent and operates as a successful business.”

ROWE Professional Services Company

Watch Out for Old Company Syndrome

Effect on Older Companies

- Long Term Wage Increases
- Very Good Benefit Package
- Lack of New Technology Skills
- Owners Slowing Down for Retirement
- Lack of Employee Turnover
Old Company Syndrome

Solutions

► New, Younger Blood
► Transfusion of New Technology
► Reduce Overhead
► Pay Rates with Top Limits
► Indirect Time Reduction
► Better Work Ethic
► New Marketing Program

Things to Know in Order to Run a Successful Business

► Your Client’s Business
We cannot just be “Surveyors and Engineers.”

We must be “Problem-Solvers” in order to be successful.

Knowing your Client’s Business

- Use Customer Satisfaction surveys
- Use Client Focus Groups
- Nurture your Clients
- Organize your company by Market Sector rather than by discipline
- Form Collaborative Relationships with your Customers - share the risks, rewards, creativity, innovation and energy
Things to Know in Order to Run a Successful Business

► Your current Financial Position

Metrics

- Overhead (<155% before bonuses)
- Effective labor multiplier (>3.0)
- Utilization (>60% for total staff)
- Voluntary turnover rate (<15%)
- Rework (<13% of total project hrs)
- Net revenue per total staff (>100k)
Things to Know in Order to Run a Successful Business

► Your Strengths

Knowing your Strengths

Evaluating Your Present Position

• Profitability by Markets
• Staff
• What Market Segments do you Serve?
• What is the Condition of your Facility?
• What image does it project?
• Geographic Location - you and your existing and potential clients
Knowing your Strengths

Evaluating Your Present Position

• Technology
• Marketing Cost vs. Annual Revenue
• Professional Registration
• Repeat Clients
• Marketing Material
• Top 20 Clients by Billings

Things to Know in Order to Run a Successful Business

► Your Weaknesses
Admit and Understand your Weaknesses

Things to Know in Order to Run a Successful Business

► How to Manage - How to Lead
Provide Appropriate Leadership

- Listen First - truly listen
- Empathize
- Accept

Robert Greenleaf - “The Servant as Leader”

Provide Appropriate Leadership

A Manager motivates people to work together towards a common goal
A Leader is anyone who inspires

Provide Appropriate Leadership

- Hire Key Employees When Available
- Call References
- Don’t Overpay
- Use an Evaluator
- Sell on the Future of the Company
- Rehire past Employees Situationally
- Look for Other Skills in potential employees
- Look for Potential Employees with Special Training or Talents

Employee Management - How to Hire Employees
The number one failure of management in America is the unwillingness to say “You’re not doing a good job and we need to talk about it.”

“Firing is committing an act of violence against an employee.”
Employee Management - How to Release Employees

“Not firing is committing an injustice against the rest of your employees”

Employee Management - How to Release Employees

► Don’t keep “bad” employees around
► Don’t allow employees to work after they have given their notice
► Get office keys and credit cards back and change the locks if appropriate
► Fire with Compassion
► Release with pay and benefits
► Have a witness present
► References...
Management - Things NOT to Do

- Take on too many tasks
- Red tape and unnecessary paperwork
- Disorganization
- Telephone calls
- Crisis management
- Unsuccessful delegation
- Procrastination
- Inability to say “No”
- No self-discipline
- Poor planning

Managing in Hard Times

People are motivated to change by:

Aspiration

or

Desperation
Managing in Hard Times

Business Downturns

- Track With Overhead Factor
- Graph Company on a Yearly Basis
- Reduce Staff Quickly
- Track New Work Contracts
- Do Not Borrow For Payroll
- Make Real Overhead Cuts

Marketing New Services

Search Out New Markets

- Hire Employees with New Expertise
- Research New Markets
- Buy New Technology
- Additional Training for Existing Staff
- Work as Consultant with Other Firms
Marketing New Services

- Attend Trade Shows
- Promote New Services to Existing Clients
- Magazine Ads
- Direct Mail
- Manufacturers’ Representative
- Sponsor Education Seminars

Applying New Technology

What will Technology do to/for the Company?

- Reduce Amount of Staff Needed
- Better Trained Employees
- More Continuing Education
- Fewer Professional Staff
- More Technicians
Applying New Technology

How will this affect the Company?

► Less Wage Burden
► Flexible Work Hours
► More Potential Profit
► Larger Geographical Area
► More Capital Investment in Equipment
► Fewer Employee-Management Problems

Questions & Discussion
Thank You