

Professionalism Public Perception and Profit

The 4 P's of Running a Successful Business

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About the Authors

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Dean D. Exline PLS is vice president and co-founder of The HydEx Group, LLC. HydEx, formed in 2004 as a professional training company. Based in Wilmington, North Carolina with trainers in Florida and Ohio, it is a company founded on the principal of Professionals providing Professionals with quality training services in order to enhance their knowledge of the profession.

He is also president, founder and co-owner of GeoInnovation, PC. Also based in Wilmington, North Carolina, GeoInnovation is a full service Professional Land Surveying firm that provides surveying services throughout the southeastern US.

Exline holds an AS in Civil Engineering from Shawnee State University in Portsmouth, Ohio and attended Franklin University in Columbus, Ohio where he studied Business Administration. He is registered as a Professional Land Surveyor in North Carolina, South Carolina, Virginia, West Virginia, Kentucky, Ohio, Idaho, Alabama and the US Virgin Islands. His background includes extensive experience in boundary, GPS and conventional survey control, dam deformation measurements, topographic surveys, small hydrographic surveys, coal pile quantity surveys, and power line surveys.

He has authored and presented technical papers on the use and economics of robotic surveying at the ACSM Convention in Portland, Oregon in 1999 and FIG/ACSM in Washington, DC in 2002. He has also authored technical papers in the use of GPS to perform dam deformation measurements on large concrete and earthen dams.

Steven J. Hyde, PLS

Steve began his surveying career in 1985 in the Central, Ohio area, where he started as a Rod-man, and eventually worked his way to Instrument-man and Party Chief and ultimately earned his Professional Surveyor's License in 1993. In 1996 he opened and operated the company of Hyde-LeRoy Land Surveying, Inc., in Etna, Ohio for nine years. He now resides in Vero Beach Florida and is Survey Operations Manager of the Vero Beach office for ARCADIS G & M, Inc.

He is a graduate of Columbus State Community College's Civil Engineering Technology Program. He has earned Professional Surveyor's Licenses in Alabama, Florida, Idaho, Kentucky, North Carolina, North Dakota, Ohio, South Carolina, South Dakota, Tennessee, West Virginia and the U.S. Virgin Islands.

Hyde has been an active member of the Professional Land Surveyors of Ohio (PLSO) since 1991, holding positions of Secretary, Vice President and President for the Central Ohio Chapter, as well as President Elect and President of the Executive Committee. He has served on the Standards, Program, Scholarship, PAC and Trig Star Committees, and started and chaired the Central Conference Committee. He assisted in the approval process for Continuing Professional

Development Hours into Ohio law, as well as other legislative activities. He was awarded Member of the Year for 2005. Since moving to Florida, he has become active with the Florida Surveying and Mapping Society and is currently the President for the Indian River Chapter.

Steve was also a member of the Professional Advisory Committee for the Civil Engineering Technology Committee at Columbus State Community College and a member of the Ohio Professional Surveyor's Examination Committee. He is a member of NSPS/ACSM and sits on the Private Practice Committee of NSPS. He also is a volunteer with NCEES and helped with the cut score for the 2005 Fall Principals and Practice exam.

Professionalism, Public Perception and Profit

The 4 P's of Running a Successful Business

Professionalism, Public Perception and Profit. These 4 P's are intertwined in running a successful Professional Land Surveying business and are shown here in their order of importance. Yes, that is correct, they are in order from least to greatest importance in being successful in a "Profession". In order to advance from a just a "business" to a Profession, you MUST not only be cognizant of and recognize each of these P words and a couple more, but you must also recognize the importance of their hierarchy.

1 - Professionalism – What is it? Why do we need it?

- Can you describe Professionalism?
- Webster's Ninth New Collegiate Dictionary describes it as:
 - The conduct, aims, or qualities that characterize or mark a profession or a professional person
 - The following of a profession (as surveying) for gain or livelihood.

The Five Keys¹ of being a Professional

1. **Character** – Who we are and what we stand for.
2. **Attitude** – Your mental outlook.
3. **Excellence** – Your commitment to quality.
4. **Competency** – Your degree of expertise.
5. **Conduct** – How you deal with others.

Are You a Professional²?

"Don't ever do anything as though you were an amateur.

Anything you do, do it as a Professional to Professional standards.

"If you have the idea about anything you do that you just dabble in it, you will wind up with a dabble life. There'll be no satisfaction in it because there will be no real production you can be proud of.

"Develop the frame of mind that whatever you do, you are doing it as a professional and move up to professional standards in it.

"Never let it be said of you that you lived an amateur life.

"Professionals see situations and they handle what they see. They are not amateur dabblers.

"So learn this as a first lesson about life. The only successful beings in any field, including living itself, are those who have a professional viewpoint and make themselves and ARE professionals" — L. Ron Hubbard

How you look, talk, write, act and work determines whether you are a professional or an amateur. Society does not emphasize the importance of professionalism, so people tend to believe that amateur work is normal. Many businesses accept less-than-good results.

A professional learns every aspect of the job. An amateur skips the learning process whenever possible.

A professional carefully discovers what is needed and wanted. An amateur assumes what others need and want.

A professional looks, speaks and dresses like a professional. An amateur is sloppy in appearance and speech.

A professional keeps his or her work area clean and orderly. An amateur has a messy, confused or dirty work area.

A professional is focused and clear-headed. An amateur is confused and distracted.

A professional does not let mistakes slide by. An amateur ignores or hides mistakes.

A professional jumps into difficult assignments. An amateur tries to get out of difficult work.

A professional completes projects as soon as possible. An amateur is surrounded by unfinished work piled on unfinished work.

A professional handles money and accounts very carefully. An amateur is sloppy with money or accounts.

A professional faces up to other people's upsets and problems. An amateur avoids others' problems.

A professional uses higher emotional tones: Enthusiasm, cheerfulness, interest, contentment. An amateur uses lower emotional tones: anger, hostility, resentment, fear, victim.

A professional persists until the objective is achieved. An amateur gives up at the first opportunity.

A professional produces more than expected. An amateur produces just enough to get by.

A professional produces a high-quality product or service. An amateur produces medium-to-low quality product or service.

A professional earns high pay. An amateur earns low pay and feels it's unfair.

A professional has a promising future. An amateur has an uncertain future.

The first step to making yourself a professional is to decide you **ARE** a professional.

Are you a professional?

Our actions speak volumes about our integrity and professional stature. Each and every one of us, whether we like it or not, is a salesperson marketing our profession to the public every day of the week. This marketing takes place on Sunday morning in church, at your child's t-ball game on Tuesday, at lunch on Wednesday, as well as when we stand before a total station or perform deed research in the courthouse.

If we want surveying to be perceived as a profession, we need to start by being perceived as a profession by both our own ranks as well as the public. We have advanced toward this with continuing education and degree requirements, but this is basically intra-profession and does little to advance our professional status outside of our own ranks. If we do not appear to be professionals in both our actions and appearance, we will not be perceived as professionals in the eyes of the public.

Degree requirements and continuing education will only strengthen the surveying profession, and we need them desperately. However, there is much more to it than that. This is where our inaction comes into the mix. We need to provide good quality PR about the profession at every chance available.

What is wrong with this picture?



How can this kind of unexplainable and uncalled for pin cushioning be called professional? The Professional responsible for this does not understand what error is. Maybe he just sent the crew out to “set” corners and the crew just did it without asking why there is a second pin there. Either way, the professional should have paid closer attention to what was going on. Heck, my computer gives me an answer to 14 places, how can anyone measure better than that?

Unfortunately the public (OUR CLIENTS and THOSE WHO CONTRIBUTE TO THE SIZE OF OUR BANK ACCOUNT) does not understand why they have two corners on their property. How do you show this on a map? How do you explain it to your client? Why should you even have to explain it to your client?

3 & 4 - Public Perception - What is it? Why should we as Professional Surveyors be concerned about it?

- Can you describe Public Perception?
- Wikipedia Online Dictionary describes it as:
 - Public - having to do with the affairs or official affairs of all people, as opposed to just a private group
 - Perception - conscious understanding of something
- Do you worry about what the public (YOUR CLIENTS) Perceives (thinks or feels) about our profession?
- Do you worry about what the public perceives about you or your employees?

4 - Profit – It is NOT a four letter word³. There are different types of Profit.

- Can you describe Profit?
- Wikipedia Online Dictionary describes the word “Profit” as:
 - to make progress....
 - a positive return made on an investment by an individual or by business operations.
- **Economic Profit** - A firm is said to be making an **economic profit** when its revenue exceeds the total opportunity cost of its inputs.
- **Accounting Profit** – A firm is said to be making an **accounting profit** if its revenues exceed the total price the firm pays for those inputs.
- **Optimum Profit** - This is the "right amount" of profit a business can achieve. In business, this figure takes account of marketing strategy, market position, and other methods of increasing returns above the competitive rate.

5 – Mystery P - There is one more P that is very important in the context of running a successful business. This P differentiates your business from other businesses in a number of ways. What is this mysterious fifth P? That dreaded and often times misunderstood word – **PRICING**.

Hold the phone, we can get into deep trouble by even discussing pricing. This is true, we can get into trouble by agreeing to FIX PRICES, and colluding to stifle competition. What we are going to discuss here is making sure that what you charge includes all of the expenses of doing business, not what our fees are.

Pricing – That dreaded **P** that everyone is so concerned with.

We are not talking about Price Fixing, which is in direct violation of the Sherman Anti Trust Act or more commonly known as the Sherman Act. We are NOT going to discuss what each of us charge.

Price Fixing IS Illegal

Price fixing is an agreement between business competitors selling the same product or service regarding its pricing. In general, it is an agreement intended to ultimately push the price of a product as high as possible, leading to windfall profits for all the sellers. Price-fixing can also involve any agreement to fix, peg, discount or stabilize prices. The principal feature is any agreement on price, whether express or implied. For the buyer, meanwhile, the practice results in a phenomenon similar to price gouging.

Methods of price fixing can include the following:

- selling at a common target price;
- setting a common "minimum" price;
- buying the product from a supplier at a specified "maximum" price;
- adhering to a price book or list price;
- engagement in cooperative price advertising;
- standardizing financial credit terms offered to purchasers;
- using uniform trade-in allowances;
- limiting discounts;
- discontinuing a free service or fixing the price of one component of an overall service;
- adhering uniformly to previously-announced prices and terms of sale;
- establishing uniform costs and markups;
- imposing mandatory surcharges;
- purposefully reducing output or sales; or purposefully sharing or "pooling" markets, territories, or customers.
- Under American law, exchanging prices among competitors can also violate the antitrust laws.

Pricing our Professional Services

We are simply talking about pricing **Professional** Services so it includes all aspects of the cost of doing business. To do so, we need to investigate what the cost of doing business entails.

Now What?

OK, you are now a PLS after 8-10 years experience and passing the test of your life. You have hung out a sign and started your own company. Now what? You have the word *Professional* in your title. There are clients out there that need your services. You are technically good at what you do. Now how do I make enough money to feed my family, pay employees, rent an office, pay taxes. The

list seems to be endless. How do I calculate my costs of doing business? What can I expect to make as a Professional?

Professional Surveyor versus other Professions

Before we tackle the subject of pricing professional services and what is involved in making a business fiscally successful, let's look at where other professions are and how they compare to surveying.

We as Professional Land Surveyors are required to obtain 15 Professional Development Hours each year (state specific) and keep up with an ever changing landscape of technology like GPS, robotics, high definition scanning, CAD, etc. and techniques, laws, regulations, recording requirements etc. This list could go on and on.

As a PLS, you are required to have a nearly equal number of Professional Development Hours (state specific) as an attorney. The average salary for an attorney with 10 years experience is \$101,000. Doctors have to attend training on a regular basis to keep up on the latest techniques and technology. The average low end salary for a doctor is \$150,000 and it goes up from there.

The average salary for all surveyor classifications is less than \$65,000.

Why is it that the average salary for a surveyor is less than half of that of a doctor and 35% less than that of an attorney? Well, we discussed some of the reasons earlier under Public Perception. We simply are not held in the same regard in the eyes of the (same) public as attorneys and doctors.

In order to be perceived as a Professional, we must first recognize OURSELVES as Professionals. Professional Surveyors should not compete on Price, they should compete on Qualifications. The fee should be secondary.

Cost Calculations

In order to assure yourself that you are getting what you deserve as a Professional and what is required to keep the business afloat, you must include at least the following items when computing the fee for all aspects of your services:

- Base Salary – yours, party chief, rodman, secretary
- Opportunity Labor – time spent on marketing, expansion of your business, washing the truck etc.
- Non Chargeable Labor – time spent on other things, timesheets, safety meetings, etc.
- Advertising – fliers, hats, gifts, Christmas cards
- Taxes – FICA, Unemployment, local, state, car tags
- 401k/Simple IRA Match – up to 3%
- Vacation – everyone needs time off to recharge (including YOU)
- Efficiency – different types of equipment offer differing efficiency ratings. A conventional crew with a regular total station can do so much in one

hour, the same crew with a robot can do more and the same crew with a GPS RTK or VRS system can do even more. The cost of each of those systems increases with efficiency and your client gets more bang for the buck as well. Charge accordingly.

- Legal fees – retain the services of an attorney just in case you need it
- Accounting fees – keep the IRS at bay with regular checkups
- Insurance – vehicle, E&O, health, life
- Vehicles – payments, gas, maintenance
- Rent – office space, storage building
- Equipment charges – lease payments, repairs, yearly adjustments
- Office equipment – computers, copier, network, printers, plotters
- Communications equipment – desk phones, cell phones, Internet
- Office Supplies – plotter paper, toner cartridges, ink, paper clips etc.
- Liability – how long must I guarantee my work??? Shouldn't that be worth something???
- Value of the item be surveyed – do you include anything in your fee for this? VALUE BASED FEE computations
- Profit – a reasonable percentage, it is not a four letter word – you need to make money. If you are in the profession simply because you love it, you are in it for the wrong reason

Even if you do not have all of these included in your current fee schedule, you should include them in your fee calculations because you will need to buy new at some point in time. Why not include it now and not have to change your rates when you upgrade to a robot or GPS or move into a larger office.

6 - Contracts – Although this is not an actual **P** word, it can be. **Pain** in the neck comes to mind if you expected to do one thing and your client expected you to do something complete different. Get it in writing and save the pain.

- Do you have a contract for every project?
- Do you have a contract for any of your projects?

Having a contract is one more item that helps you be perceived by the public as a Professional.

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