

The Business of Land Surveying

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In 2002, Daniel E. Beardslee was the founder of a surveying company that he had owned for over 25 years. He stated the following regarding the tenuous relationship between land surveyors and business development skills:

"It has been my experience that surveyors as a group exhibit poor business practices. There are certainly exceptions, but my opinion is that poor business management has been the only reason that land surveying has not risen to the level of other professions in the eyes of the public. There is no reason, after all, why surveyors should be considered with less regard than engineers, lawyers, or dentists, except for one thing – money. Engineers, lawyers, and dentists are all regarded, in general, as being better off financially than we are and are therefore placed higher in the social stratum of society. If surveyors were perceived as being as well off, they would, over time, be held with similar esteem. We have only ourselves to blame for this fate, and good, common-sense business decisions can help us elevate ourselves."

Twenty years later, the land surveying profession finds itself at the epicenter of multiple forces.

1. There is a labor shortage spurred by an aging workforce and the complications of the global pandemic.
2. There is a notable pay discrepancy between surveying and professions like engineering. Per the 2020 Department of Labor's statistics, the median pay for surveyors was about \$65,000 per year compared to \$88,000 per year for civil engineers (a roughly 35% pay gap).
3. There is more work available than ever before, with a skyrocketing demand for surveying work.

Much of Beardslee's pronouncement seems to ring true through all of this. So why do many land surveyors struggle with business development, and how can business owners take steps to become better at it?

Surveyor Kent Groh conducted a recent three-part Geoholics podcast series dedicated to this issue. What follows is a synthesis of the advice that was shared by eight knowledgeable survey professionals.

What is business development?



It's not surprising that surveyors aren't experts at business development. As with many professions, there are few to zero business courses offered or required during the pursuit of the profession. Business skills must be picked up on an ad hoc basis, from trial and error or from knowledgeable mentors.

The old saying rings true: you don't know what you don't know.

Most surveying business owners are typically busy thinking about each month as it comes, simply aiming to make enough profit to keep their business running smoothly and their employees paid.

But a true benchmark for success is more than money in, money out. A long-term, thoughtful strategy can help you generate a better reputation and more money over time.

"I think long-term objectives is something that's honestly missing a lot," says Byrom Hess, the Chief Financial Officer at Rountree Inc. "Too many people are just focused on hey, I need a job right now for my guys. They're not looking at okay. Are we still going to be able to do this and be as profitable three years from now?"

Do you need a formal business development plan? Not necessarily.

Many large companies do have formal business plans, but often they don't change at all from year to year, or the goal is simply to grow the business by a certain percentage point.

A good business is run less on a formal business plan document and more on refining your processes and behaviors over time so that you and your employees are happy. It involves cultivating a refined skillset around activities like networking, billing, hiring, branding, community involvement, and more.

Relationships are the lifeblood of business



If there's only one lesson to take to heart, it's to recognize that a strong business relies less on project volume and more on building relationships.

"Relationships" doesn't simply refer to client relationships. It also encompasses relationships with fellow surveyors, tradespeople, and smaller and larger companies.

"Business development I think of mainly as retaining existing relationships, building new relationships, and also fence-mending and making sure that the people and clients that we might not feel great about, or project managers that are gone, that we always reach out. It's all about relationships in business development and having that key capability to be able to gather intel and have it first," says Dorina Bustamante, Director of Business Development at Ritoch-Powell and Associates.

"I'd also say that it's vital to have healthy relationships with your colleagues and competitors. Sometimes we have to divide and conquer. Sometimes if it's government work, you can only win so much with a certain agency. So we're constantly discussing how we prime or sub. And the teaming dynamic is very exciting."

In terms of clients, you want to establish your reputation as a reliable expert. In terms of other survey firms, you want to be able to partner together if the need arises. And in terms of fellow professionals, you want to maintain a working knowledge of who does what, and who you might want to someday hire.

Relationships function like compound interest. The more you put into them, the more you'll get out of them over time.

Don't chase commodity-driven clients

But how do you get out of the day-to-day trenches and into the point where you're focused on those higher-level goals?

The first step is to think hard about the clients and projects that you're pursuing.

Ideally, you don't want to work with clients who view surveying purely as a commodity, without any value for your expertise.

"I refuse to race to the bottom. I am trying to find those clients that are going to respect what I do and pay me the most I can," says Nolan Mark, owner of On The Mark Land Surveying LLC.

"I'm not charging \$200-300 for a lot survey. It's just ridiculous. I don't want to go out there and burn my time to do something like that, or maybe a mortgage lot survey that's just two pins, tape up a house, and throw in a piece of paper and then the realtor's happy and they get a close. I'm going to tell you what I think the cost is going to be, and that's what it's going to be."



When you go from working for someone else and having a secure paycheck to running your own business, you need to think about profit. That means aiming to be the lowest bidder to win work is usually a losing strategy in the long run.

Nolan would much rather quote a price that's higher, and have clients choose to pay him that rate because they trust him to get the job done.

Michael Thompson is the President of Halma Thompson Land Surveys Ltd., where he has a staff of seven employees. He says that he occasionally will take commodity clients like land-transaction surveys, but it's not his focus. It's just to fill in the gaps.

"We will do that, but that's just something to keep the guys busy while we're not doing work that actually makes money, the better margin work that we really want to go after," he says.

"You really don't want your services to be a commodity. I'd say you're going to fall into one of four models. Either you're the cheapest, you're the fastest, you add value, or you make your client feel special. You don't want to be the cheapest, and being the fastest is a lot of stress. So I really want to be in that market where I'm going to add value to the client, or I'm going to make my client feel special.

And that's where you get the most reward, and you get the most money."

Despite appearances, there are many clients out there where price is not the primary concern. Many clients would rather have work done, and done well, than go for the lowest rate. That's exactly what Byrom Hess has experienced. Many of his clients are fixated on quick turnarounds, for example, and are willing to pay handsomely for it.

"Some of our more profitable clients, it's because they know, hey, I call you and I need that in 24 hours, you're going to stay late and jump through hoops and get it done. And that's what allows us to have higher profit margins for that client, because they know that.

But each client's a little different. So that's why you need to get to know and find out what's important to them," he says.

Pursue the right projects



In today's market, pursuing high-margin projects is easier than ever.

"People are so busy right now, they won't even answer their phones. They won't reply back," says Will Wing, owner and CEO at Infinity Land Surveying, LLC.

"So if you just take the time to reply back to them, literally that's how easy it is right now. That's it. They're just like, 'oh my God, you replied to my call. Yes. Can you meet with me?'"

The key to picking the right projects is learning to say "no" to the wrong projects.

If you fill up your plate too quickly just to keep your team busy, you could end up having to turn away work that you want.

It's easy to fall into the trap of saying yes, but saying no will help put you in the driver's seat. When you push back against bad clients and unreasonable deadlines, you set the tone for everything that follows.

Dorina has found this to be true in her work at Ritoch-Powell and Associates. "We shouldn't just go get a job because they can hire us.

We should find the fit. And that's what we do, is try to find the fit."

So what kind of surveying jobs have the best margins?

Below are several areas that received special mention from surveying business owners:

- Publicly-funded projects
- Specialty areas like telecom and solar
- Utility projects such as powerline and gas
- Projects that are qualification-based

If you're only doing construction staking, for example, you're always going to have a low margin and will need to rely on volume. But if you focus on a variety of projects where you can charge a premium for your expertise, you can make more profit.

More profit is key if you want to invest in your business and employees.

"We can no longer commoditize this kind of work, because the biggest premium is employees," says Rich Antonio, VP of Business Development at Alta Southwest.

"If you don't invest in your employees in the future and highlight those, there is no growth in the future, because the rest of it doesn't matter."

High-margin projects mean that you can invest in employee training and technology that will help maintain your competitive edge.

Analyze your billing strategy

Once you have your ideal clients, you also need to consider how you're billing them. There are no right or wrong answers here, and they'll depend on your client relationships or the project type. But there are billing strategies that will serve you better, in certain instances, than others.

Collecting money up front

One strategy you may not have considered is to require full or partial payment for your services up front.

Want to weed out clients who aren't serious? Require some payment up front. Want to avoid hounding bad clients for months? Require payment up front. The amount of time you have to spend collecting outstanding payments are hours out of your valuable week.



In short, there's no need to be afraid about asking for a deposit for a professional service. A common model is to charge 50% up front, and the remaining 50% upon completion.

"We do for this for residential," Byrom says. "If it's someone that we work with all the time, then we don't. But if it's someone like, 'Hey, we have a little boundary survey for our property.' If we're going to take a project on like that, or even if it's like a new client that we're unfamiliar with, a lot of times we'll say like 50% up front. Because it's just the unknown."

Michel agree that he's a fan of collecting a retainer via credit card in advance.

"Especially if it's boundary staking type of work, get a retainer or get that credit card number before invest in that," he says. "You run into situations where someone says, 'oh, can you please state this boundary for me?' And then they find out, oh my neighbor's fence is two feet on my property. They should pay for that. And then all of a sudden you're in a loop. You'd never get paid for that. So you got to take that retainer head time, and you're going to weed out a lot of undesirable clients."

Again, if you have pre-existing clients that you trust, this method is probably not necessary. But there's no reason you can't charge some clients a deposit and grandfather other clients into your circle of trust.

Time & materials vs. lump sum

You have two major options when it comes to how you bill: lump sum, or based on time and materials. There are cases to be made for each type.

Time & materials:

- Makes sense when scope is unclear
- Makes sense for almost all construction projects
- Guarantees you'll get paid for the time and effort you put in

Lump-sum:

- Makes sense for boundary and topo work
- Makes sense if you have a client who wants a firm number, without any surprises
- Inspires you to become more efficient so that you can benefit from higher profit

"In general, we try to do percent complete. I look at percent complete is the more efficient we can be," says Byrom. "I like to be able to say, Hey, let's become more efficient. How do we do this? And then use that to become more profitable. because if you're doing T&M, then your billing rate is basically what your profit's built into. So you're going to have to make sure that billing rate is at a rate that's right."

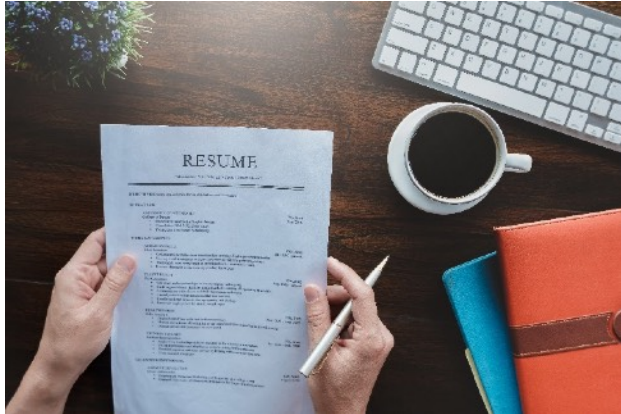
Michael says that many clients, such as landowners and farmers, prefer to avoid the headache and confusion of T&M. Instead, they want a straightforward number.

"If you have a farmer that wants to subdivide a piece off a quarter section, they don't really care that you charge this much an hour and it's going to take this much. Do you have an estimate? Just tell them it takes \$5,000. This will be done. And that's

where they want to hear. They don't want to hear oh, here's my hourly rate and blah, blah, blah. Just add it up. You figure it's going to be \$4,000. So you tell them \$5,000," he says.

Overcharging slightly in cases like these isn't sleazy, it's part of the process of mitigating your risk. Some clients you'll clock in under the lump sum number, but others you'll spend extra time on.

Find the right employees



If you're a new business or just getting started as a sole proprietor, chances are you are thinking about when and how to grow your team.

Despite the current labor crunch, most small business owners are not comfortable hiring just anyone. Most are looking for the right fit.

"At the end of the day, it's finding somebody that's that really has the drive and the interest, and that wants to pursue it, says Will. "I've got the insurance ready, I've got the paycheck, I've got everything in the background is ready. It's just finding that diamond in the rough."

Sometimes the right fit means the right experience, other times it means finding someone you know you can rely on.

"You want to clone yourself," he says, but "they don't have to be perfect. Just somebody that can meet your criteria as the edges lead them in the right direction."

Nolan knew that he was ready to hire once he felt like he had perfected being a business of one, and then got tired of working all-nighters and every weekend.

But you still have to learn to let go and delegate in order to make it over the hurdle with a first hire or new hire.

"When you're the one doing everything and you're going to start passing that onto somebody, it's nerve-wracking. Because I'm hiring a guy with zero experience in survey, but I can trust him. I know who he is. I know his background. Trust is going to go a long the way more than hiring a guy I don't know that wants a truck, wants a phone, wants everything handed to them right away, but he might leave tomorrow," Nolan explained of the individual he's in the process of onboarding now.

While no one can see the future, you want to hire with the future in mind. Can you see an employee sticking with you over the next years to come?

"When you're going to take on people, you have to put a lot of thought into how you're going to retain them. Where are they in life? Do they have young families? Do they really want to be in this business?" Michael says.

Michael says that he would rather overpay a new hire than have to replace them in six months simply because of a slight paycheck gap.

Your best bet is to treat your employees as an extension of your family.

"I think that in general, survey companies treat their field staff like shit," Michael admitted. "Most people want to have a family. They want to have a good life. They want to be able to have their weekends to do whatever they want. To meet their needs, you need to be able to allow people to do that. I don't like to say 'oh, if you're in survey, you work a lot of overtime. He can make a lot of money.'"

If you're not sure where to start looking for employees, Bill Swope, the Geospatial & Survey Business Development Manager at Halff Associates, Inc., has some advice.

He recommends working with associations and community groups to present surveying opportunities to interested groups.

"I'm lucky enough with the company that I'm at that they give me a lot of autonomy with what I do. And they feel that if I go out and help with things in the community that will bring business our way in the end," he says.

That's why he does lots of work with the ISD in Texas—to plant the seeds for future partnerships and hiring opportunities with Halff Associates.

"They don't understand that the careers in surveying and geospatial are even there. They don't have job code classifications for this. So a lot of it is working with them to understand what's actually there, and what those opportunities are for their students once they get out of high school."

Stay on top of new technology

To stay competitive and maximize profit, it's also wise to stay abreast of the latest surveying technologies and applications.

Now more than ever, it's more important that we listen to what our clients are saying. If we listen, we're going to get a better understanding of their challenges, and how technology can help solve them.

"Change is just constant. And in particular, with what I do in geospatial, that change seems to be coming in at such a breakneck speed," says Bill. "With geospatial, I'm trying to find new ways to use the technology, to expand what we do."

Bill finds himself constantly adapting geospatial technology to fit new sectors, or to find new ways to service existing clients. Ultrasonic drones can now map oil and gas systems, and assist with leak detection, for example. New technologies make new applications to surveying endless.

"When it comes to the geospatial realm, it's just data collection. It's just a more efficient means of doing data collection, and new and different ways of doing data collection. But it's because we've gotten this new technology that allows us to do this. We're able to change perceptions about what land surveying is and how it can be expanded in the future and moved into different markets. So I think it's really exciting and it's fun to be at the forefront of this," Bill says.

It's not in every industry that you can see significant advancements happening before your eyes.



Build your brand



Not all the work of running a successful business happens within the walls of your office or within the confines of your job site. There is also branding to consider, and a large part of building a brand happens through the process of community development. "Aren't we all community builders in what we're doing? And isn't civil engineering and this early pre-development all community building? We literally link roads and sidewalks and public spaces and private spaces together. So yeah, this is community development," says Dorina.

With Ritoch-Powell and Associates, she is able to work with nonprofits like the Urban Phoenix Project and many other advocacy organizations.

she doesn't do them halfway.

"If we're going to be a member of something or sponsor something, then we need to have a dynamic role. I need logo glory. I need my leadership present. I need to make sure that we get the bang for the buck. And if we're going to become a member of something, we need to have an engaged staffer who's attending and reporting back and creating opportunities for further engagement."

When you get involved, you create value that goes far beyond your business. It's a win-win all around.

There are also lots of innovative opportunities for bringing the community into what you do and onto client project sites. "If you bought a historic building or adaptive reuse, invite the city council person and do a little ribbon cutting or a Mazal Tov or something. Because it really helps clients feel valued and also see that the team spirit, and that everyone is there for the long haul," Dorina says.

Think of it as a chance to give back.

"I think sometimes in business development or sales, we feel like we take. We're always asking, we're taking. So it's nice to be able to give back sometimes," Bill says.

"I think it helps them to build morale within the company itself as well, because you start feeling better about yourself and then it just shows to the community at large that you're willing to invest some of your time and effort in them as well."

Advice from small business owners

We'll cap off this article on the business of land surveying with a quick-fire round of solid advice from small surveying business owners. These are some of the things they found important to starting a solo practice and keeping it running smoothly.

Save money before you go solo:

The best advice given to Will? Do not start a surveying business if you don't have enough money to survive for one year without getting a paycheck.

"If you're going to get good jobs, these are with cities, with towns. And they don't pay every two weeks," Will cautioned. "They pay when the project is done, and the surveyor is usually the last one on that list to get paid. So you really need to understand that before you start out, because that's a rude awakening."



Hire an attorney and accountant

This is a must-do for any new business owner. Even better? Hire professionals who are somewhat close to your own age, so that they can grow with your business and service it for many years to come.

Says Nolan, "You need an attorney, you need an accountant. On top of that you need a bank. You need financial backing. There's other things to think about besides just, 'I can go out and survey this tomorrow because I have a license.' Nobody's questioning whether you're a surveyor when you start your own business. You gotta be a businessman first, and then a surveyor second. Because otherwise you're not gonna make it in this world."

Pay yourself like an employee:

You don't want to be worried about meeting your minimum expenses as you grow your own business. One way to alleviate those basic pressures is simple: pay yourself a salary. An accountant or financial advisor will likely tell you the same thing.

"I have overhead of \$54,000 a month, and it's a lot of pressure. You got to hit that minimum target in order to make money. But I don't worry about it too much, because I pay myself. That's very important if you're going to be a small business professional is pay yourself first," says Michael.

"Don't get into this idea that, 'oh, I can get tax savings if I just live off dividends and run my company this way.' No. Just treat yourself as an employee, and everything gets a lot easier. Some months you might lose money, some months you might make money. If you're losing money more often, then you have a bad business model and you just have to look at it. But once you pay yourself and you know that you have that set salary, then you can make proper business decisions without having the emotional rollercoaster of am I going to be able to pay my mortgage this month?"

Follow your passions:

The great part about surveying is that it can feel equally like work and play.

"The hardest part about being a business owner for me is separating the love. Because I absolutely love surveying. I get jobs that maybe I wouldn't do, but 'God that's a fucking awesome area, and I really want to go check that shit out.' So yeah, I'm going to do that job," says Will of a potential new job site.

"I've always wanted to get up there and work in that area and now I'm going to get paid to ride my quad up there all day long and go dig around and look for this shit that I've always wanted to check out? Like it's awesome."

Make sure that you find a good balance of projects that make money, and projects that you enjoy. Hopefully, they will be one and the same.

Be sure to join the [Business of Land Surveying](#) group on LinkedIn!