

Confessions of a Business Owner

By Crystal Cranch, O.L.S., O.L.I.P.

I own a small business and I have no idea how to run a business.

Does this sound familiar? We are all professionals. We submitted to a lengthy process that tested our skills and knowledge before being allowed the privilege of calling ourselves Ontario Land Surveyors. That might suggest that we are actually intelligent people. I think of myself as intelligent.

Over the years in this profession I have made a number of observations. I am not saying that all of my observations are correct however they are very real to me. For example, I believe that in order to be good surveyors we have to be a bit egotistical. We are saying to the world “This is the location of your property limit and I dare you to call me wrong.” We have convinced ourselves that we are right and sometimes we stand behind that opinion with a vigour that would impress a concentration camp survivor. And on those rare occasions when we are humble enough to admit we erred, at least we can blame it on the party chief.

So when we have worked hard to earn our professional status perhaps we just think we know all that we need to know to begin our journey as Ontario Land Surveyors. We seem to recognize that there is a need for continuing education within our areas of expertise. But many of us get into our own businesses. One of my goals was always to own my own business. When people ask me why I wanted to have my own business, I suppose it had something to do with my old boss at the grocery store who told me that I should be happy cleaning mud off peoples’ shoes for minimum wage. I didn’t want to clean mud off anyone’s shoes. And I did not want to smile and nod as someone told me to clean mud off someone’s shoes. So I decided that one day I would have my own business and no one could tell me to smile and clean mud off someone’s shoes.

So I received my commission in 1997 and within a few months I had found a company to buy. On January 1st, 2001 the beast was mine. WOW! I could not wait to tell someone to clean the mud off my shoes. I could not wait to start counting the money and living on easy street. I could not wait for those Tuesday morning golf matches and I had already picked out my new Jag; emerald green of course.

But instead I got to work an immense amount of hours for a very low wage. I drove a broken down Ford Taurus station wagon whose best quality was the fact that it was the least stolen vehicle in North America. I did not see a golf course unless we were surveying next door, and I was still cleaning up mud, but this time it was the mud that fell off the boots of the field staff as they tromped through our cramped office. The office was small and filled to the brim

with old rusty filing cabinets. I might try to label the décor of the office as shabby chic, but really it looked like a mismatch of things found curbside. The computers were old and slow; the ammonia plotter gave you a headache, the party chiefs fought for a chance to use the data collector and I was turned down when I applied for a company credit card. And so I fell into a trap of working more hours and taking in every job that came our way. There was no analysis of what was going wrong because I simply did not have the ability to analyze anything. Soon it was easier to make payroll and I was even able to purchase or lease some better field equipment and software. But I was still working way too many hours (and I mean way too many) paying myself less than many of the people who worked for me. Where was the utopia I dreamt of? For many years I convinced myself that it would soon get better. For many years I waited.

I have learned a lot since those bad times. Since that time I have observed similar behaviour from many of my colleagues. Back then I never wanted to tell anyone what I made. For a while I could hide behind the fact that I was paying off the company, building up the retained earnings (although I did not really know what those were), and patiently waiting for the inevitable rewards. I wondered if anyone else understood my frustrations. Were other surveyors going through similar experiences? I thought that if I could hire another OLS or an articling student I could maybe work fewer hours. But the company could not afford to pay another big wage, and there was no one out there that I could attract to the company. What did I have to offer? Low wages, unhealthy working conditions, hundreds of unpaid overtime hours, and no real promises for the future. This may sound familiar to some. I do not think I was alone.

But then one day a phone call was put through to me by mistake. I was far too busy to speak to any telephone solicitors and my bookkeeper screened these calls for me. But one got through. It was a business consultant group. They offered to send a representative to analyze the business free of charge. If they found areas where they thought they could help out, they would offer a quotation for services as needed. I was at an absolute low point. Within a year I was likely going to close the doors and look for a company that would hire me. My dream was no longer worth the price I was paying.

So the very next day I cleared my timetable for a short meeting with their representative. He arrived at 8:00 a.m. I left the office that night at 8:00 p.m. It was likely one of the worst days of my life. This representative, whom I will

fondly call Bobo, sat me down and lectured me like a child. After his paper analysis he riddled me with questions, none of which I could offer a proper response for. “How do you price jobs?”; “What is your Cost of Goods Sold?”; “Where are your weekly business reports?”; “What percentage profit are you looking for?”; “What is your profit to date?”; “Are you on budget for the year?”; “What is your break even point?”; “How do you know which kinds of projects offer the best profitability?”; “Why are your receivables so high?”; “What is the value of your work in progress?” Bobo stood over me like a vulture preying on a helpless animal. I am sure he reveled in the moment. I was scorned for my stupidity, laughed at for my lack of control and ridiculed for my lack for knowledge. Bobo explained that I was not running a business. I was not working for myself. I was an idiot. He left me with the impression that never in his career had he ever met someone so inadequately equipped to run a business. He was very good at his job.

But there was hope. Just sign here and we will move you to the next step. I crumbled under the interrogation and gladly signed on the dotted line. I was hungry, tired, and completely deflated. So I signed to pay \$275 per hour to have one of their expert consultants come in and take over the office for three weeks while I agreed to step back and learn. It was essentially a \$40,000 commitment for business education. So now the real stress began. At the end of each week they would supply me with an invoice and I would pay it first. As they were well aware, I did not have the ability to do that. But they promised that they would introduce changes that would allow me to pay their bills – and all of the others. There was homework – a lot of homework. These were long days, exhausting days, critical days. I knew when I signed on the dotted line that this was a

make or break decision. Either the decision would bankrupt me, or it would be the beginning of better days. I am still here, so I suppose I may have ruined the ending, but please read on.

\$40,000 is a lot of money.

I spent the next three weeks watching from the sidelines as Bobo’s friend, who I will affectionately call Hannibal, ran the show. He called my clients and demanded payment for overdue accounts, he set up reporting schedules and formats, he interviewed all of my staff and re-organized their job descriptions based on their skills and wants; he continued to follow Bobo’s critical approach, and I hated the man. Hannibal showed up every morning, laptop in hand, with further problems that needed to be fixed. Pretty coloured charts illustrated the dire circumstances we were in. Clients asked to speak with me and were not allowed that privilege until they paid. My bookkeeper teetered on the edge of sanity, knowing that soon the company would collapse and she would be looking for work elsewhere. And every Friday Hannibal would happily present me with an invoice that happened to coincide almost magically with the amount of money we had in the bank.

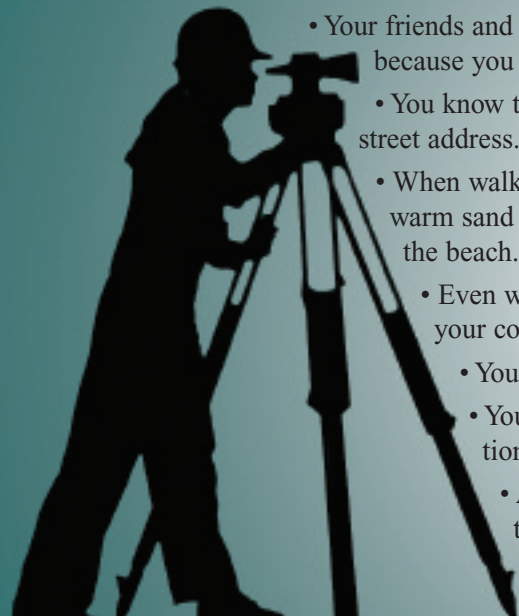
Then one day Hannibal left. The only good memory I have of these three weeks was in the parting moments when I actually made Hannibal cry. I hated the man. I showed no restraint. I let him have it and I rejoiced. Cry Baby!

Now the real test started. The weekly reports showed up on my desk every Monday morning. And I soon found myself looking forward to them. The week captured in a snapshot; an easy method to analyze the health of the company for the upcoming week; and then the monthly budget variance reports. I could assess the budget and tweak it before it was too late. I walked around begging for someone to ask me about the profit to date. My clients

The following is a portion of Crystal Cranch’s address to the new Ontario Land Surveyors at the Convocation Luncheon on February 18, 2010.

You know you are a surveyor when:

- Your friends and family can identify the location of several thousand survey bars because you seem to be incapable of passing one without sharing your knowledge;
- You know the legal description of your property, but cannot quite remember the street address.
- When walking down a beautiful sandy beach you do not notice the feeling of warm sand on your feet because you are too busy trying to figure out who owns the beach.
- Even with a police officer standing beside you, you have no issues telling your co-worker to pull out the gun.
- Your snowmobile can actually be ridden through the fresh snow.
- You understand how we can use satellites to determine our precise location on this planet, but you still cannot figure out the two-line phone.
- And you know you are a surveyor when someone asks you how far to the nearest pub, and you give them the answer to the nearest millimeter.



stuck by me and soon paid on a regular schedule (okay maybe not all of them, but I dare you to compare). With the proper tools in my hands business decisions became easier. Change was not only welcome, it was embraced. Good things do happen to people who work hard, but only if those people work smart as well.

It did not take me long to look back on it all and admit that I was running the business blind. I wanted to stand up on the tallest chair in front of all my colleagues and make my confession. I hesitated because I was not sure if I wanted my competitors to know the secret behind my humble successes. But I continue to observe. And I may be wrong, but I think that there may be others like me out there. Maybe others could benefit from an education in business. I can offer this advice. You do not have to overpay for this education like I did. You do not need to allow Bobo and Hannibal to teach you these lessons. I think community colleges offer courses. There are several consultants to hire other than the one I hired. Or maybe I am wrong and I alone suffered the plight of having the business run me, in which case this is slightly embarrassing.

So what is it like now? Well, not everything is rosy. I have still seen very little of a golf course over the last three years. That may have something to do with my lifestyle which keeps me either sidelined through some injury suffered on a wild adventure, or busy trying to save the world. I finally parted ways with my wagon, but the Jag remains out of reach for now. The company now has 23

employees. I have two partners in the business. We were able to hire another OLS and just celebrated as our articling student passed his professional exams. We purchased the assets of two small survey businesses and expanded our region. We bought the property for two of our three offices. We have robotic total stations, GPS receivers, a beautiful Océ plotter/scanner, nice office furniture, updated software, nice big flat screen monitors throughout, leather chairs, art on the walls, and several company vehicles running around advertising for us. I know that several companies beat us to this point, but think of where we came from. Our staff is arguably the best that is out there, and we have not had any problems attracting new staff and keeping the staff we have. (Please do not read this as a challenge.) We have a digital database of our scanned plans, we have a business server to allow us to better access all our information all the time. And every month something new occurs. It is exciting and it is challenging.

Although I still hold an immense hatred towards Bobo and Hannibal, they offered me something I could never have gotten on my own. They gave me a whole new perspective. I am a business owner.



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