



THE BUSINESS OF LASER SCANNING

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So, Why Didn't It Work?

I believe it's mission critical to create "success plans" regardless of the area of focus in the 3d imaging industry. For years I've been writing about how you must have a plan that should include multiple synergistic objectives; assignment of responsibility; financial metrics; and accountability.

I also believe it's important to identify your weaknesses, and make honest assessments. When you look at your business and consider the threats—both internal and external, what are the biggest? If your company completely craters and you lose everything, what caused it? This is not a new concept and is sometimes referred to as a "pre-mortem" whereby management pretends they failed catastrophically and do an analysis as to why the failure occurred.

So in our management meeting last month I gathered our division managers and project managers and asked—much to their shock, "...why did we fail?" The quizzical looks were expected and what followed was a great discussion about our own weaknesses as a company and within our industry.

As it relates to our company (1 HQ office with 4 regional offices and 60+ full-time employees) we came up with the following:

COMPANY SPECIFIC:

- **Culture:** In an industry that is rapidly scaling and is still in its infancy, we will struggle to maintain our internal culture of high performance and teamwork. Along with the possibility of an eroding culture comes a negative client experience.

- **Litigation:** It blows my mind that more service provider companies haven't been sued for providing inaccurate data or a shitty model that caused some financially significant event to occur and resulted in getting caught up in litigation. Or regardless of the quality of data provided—just the fact that there's litigation on a project site and you worked out there—you'll get caught in the quagmire. I think it's on the horizon, as we're simply too litigious as a culture to not sue.

- **Training:** Not having continuous/ongoing training to not only sharpen existing skills, but also a plan that includes continuous training on the latest technology. Frankly I think this is the single biggest expense in the implementation of a VDC/BIM department and/or a laser scanning team. It's rarely given enough attention.

- **Lack of a plan:** If you're skydiving, you better have a good understanding of the detailed process from takeoff to landing, or you're literally dead. The same is true in business. If you don't have a detailed plan—you've guaranteed your failure.

- **Collecting money:** If you can't collect your receivables, your business will fail regardless of what the profit is on the P&L. Having cash is critical to growing your business and more often than not, you'll need financing to really scale. The inability to pay back your loans will be a show-stopper.

INDUSTRY SPECIFIC:

- **New software/hardware:** There hasn't been anything "disruptive"

within the last 3-4 years. The most recent was FARO's Focus scanner. However, we are WAY overdue and I can almost guarantee there will be announcements of "game changing" products in the next 9 months. Why? Because there are too many smart people working on it; there is an ever growing appetite for 3d in a digital format; and there's a lot of money yet to be made.

- **Economic slowdown:** The next recession will be here in the middle of 2019 and last for 2-3 years. This will have a devastating effect on those that are not diversified and/or don't have financial reserves. I sincerely believe the 3d imaging industry can grow in the face of a slowdown, but you need to anticipate your response.
- **"800-pound Gorilla":** There continues to be a lack of consolidation in the 3d imaging space—or better put—there isn't one large national player competing in multiple markets. I don't see that lasting very much longer. As the technology becomes more mainstream, 'big business' will take notice and invest heavily into gobbling up the opportunities.

As usual, I appreciate your thoughts/comments and can be reached at ken@eco3dusa.com or www.eco3dusa.com

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