



What's Your Future?

I've been approached recently by two firms that want to buy our company, as well as discussing our financial position with several other private equity firms who are highly intrigued by anything that relates to "3d". Interestingly, and without knowledge of each other, they are *unanimously underwhelmed* by the companies they've talked with who provide data capture services, aka Laser Scanning.

Their assessment of our industry has revealed the following common characteristics—so they say:

The standalone providers are either losing money or barely getting by each month.

The most financially successful imaging providers are those who've bolted laser scanning on as a subsidiary offering, and don't rely on it as a core business.

Management is typically provided by a 'tech person' and not necessarily someone with a business background.

The industry is highly fragmented with most scanning companies having 8 or fewer employees and specializing in a vertical market. Most are chasing BIM opportunities.

Take an Honesty Pill

If this is true, why are we struggling?

First of all, we're our own worst enemy. We don't run our businesses as *profit centers*. Instead we're caught up with technology, and not sound business principles. ([Email me](#) and I'll provide specific examples.) Many of us

are worried about looking good in front of our peers, speaking at conferences, and patting ourselves on the back for some one-off job we completed (where the success is usually inflated, along with our egos).

I believe many of us are struggling because we're using the stand the test of time business strategy known as "winging it". In fact I think most small to medium size businesses don't truly have a plan.

Finally, we're undercapitalized. We haven't been serious about deep diving capital investment into different segments of our business. How many of us have done any financial modeling? How much could you make if you invested \$___ into your business?

Damn Vendors!

Sharing the guilt are the vendors that operate in our space. I have never had

“...we're bad golfers with great clubs.”

Worse, we don't solve client problems. What we do is educate them, show them their inefficiencies and offer incremental solutions to change their existing workflow. What we don't do is solve problems that face them today. How do I know? I've been that guy.

I've given presentations that I think would have made David Copperfield proud. Dazzled them with technology, and made it look easy. And then I get pissed because they don't give me an order. Why? I didn't solve a problem. Rather, I've been asking them to change from what they've been doing for their entire career. I've offered incremental improvement in efficiency. Shame on me.

a single hardware or software vendor tell me what problem of mine (or my clients) they are solving.

I've made the analogy that the vendors are selling exceptional quality golf clubs. The shaft is excellent, the grips are fantastic, and the technology that goes into the club face is state of the art. And they make sure to tell me how great their clubs are every chance they get. But, what they don't do is show me how to golf. And that's the problem... and my client's problem. We're bad golfers with great clubs.

Exacerbating the situation is the fact that they don't listen or want feedback and they are focused on driving top-line revenues. They make promises about

their product's value that are not relative to actual use applications in the real world. They seek out singular success stories, or converts who like the attention, and like my earlier comment, dazzle the audience.

Forward Looking Statements...

Here's where your company is going in the next 2-4 years:

Scenario 1: In this vision of the future, you've figured out your overall business plan and the tactical implementation of that plan. You've been highly customer focused and evolved to meet their needs...and solve their problems. You focus on building an employee group that produces outstanding results.

Scenario 2: You continue to believe your own press, and chase technology without really building a business. You live month to month and struggle to scale your company. You're ripe for take-over or consolidation by another competitor either voluntarily, or because you simply can't operate any longer on your own. Hopefully you find a good partner.

Scenario 3: Game over. Don't be this guy. We have too much blue ocean opportunity out there in the expanding world of 3d. Seek advice, be honest with yourself, and have a plan. We're at the forefront of one of the greatest opportunities in the business world. Our offerings are still being conceptualized. How great is that!

As always—I appreciate any feedback/ comments you might have. Please feel free to email me at the address shown below. 📧

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