

ASPE Article: **July 8, 2005**

### **Economics, Overheads & Dues**

This week's ENR sites an article intended for the Design Community titled "Market Returns to Prosperity". It starts out "For Designers 2004 was a break out year". Another article, in same pub. Reads: "For large design firms, the construction market finally began to break out of recession in 2004 after 4 tough years." As most of us would know our segment of the industry would follow shortly after the designers. Yet, I firmly believe a peripheral 'industry' like Associations, would then follow beyond that. Perhaps even 1-3 years after construction's overall recovery. Then too, in the order of importance a firm would rank them.

Some are just not well informed how National & International events affect of our economy. Don't be shocked, but our own little ASPE is not impervious to the economy either. In fact it is a fragile tendon tied directly to it, probably more so than most others. It is however our fault for apparently not informing our Estimators of these economics regularly. In fact, it would be in the Estimating Profession's best interest if we would do just that. For example: We do not need to be singled out in a special interest group, when we ALL need to know that if nationwide insurance rates double or triple we should consider that in our own estimate pricing. Lets make the estimated cost or value of critical economic events headlines part of our communications & website.

Many estimators, contractors, and suppliers including some our own, must not understand overheads & cost evaluations. We have all heard each other complain about our competitor's lack of such knowledge as we review post bid information. We hold meetings and "preach to the choir" about some of these low bidders and how uninformed they must be. I strongly believe that apparently stupid low bids (as opposed to apparent low bid) are not underhanded attempts to steal work. They are the affect of uniformed pricing, poor bid technique, estimating procedures, innacurate take offs and worse yet, a combination of them all.

Ironically, while interviewing some of our top estimators in the country over the last four years. I have been amazed to hear complaints about the cost of our dues. Yet, if we don't respect or more accurately "realize" our own firm's overheads in many cases, as noted above. Can we expect them to justify something as ambiguous as dues to our favorite association? Lets try and help answer that. We do all get asked periodically, including at our own facilities.

First, lets agree to a basic premise. We only benefit as a Society if we do great things together. Individually or even within the confines of our small chapter groups we limited by the affect we can make on our industry. Great staff, producing great information, collected from all corners of country and even the continent will make us all greater. Providing tools to industry to improve, inform, train, evaluate and test the individuals within our profession; helps make our entire industry greater. Ultimately encouraging the owners of buildings and facilities to recognize and recommend the use of our firms that "Certify" their bids with staff our Society has incubated makes us all greater.

To help my chapter president friend answer his colleague's query: "What does national do for me" lets go beyond the intangible described above. First he should ask him, have you called the Society Admin Office lately? Each and every call answered, politely & professionally. Then lets consider professional recognition at every level of our industry: How much would it cost you as an individual or 30-40 contractors combined as a chapter to spread the message of

producing better bids throughout the country? Well, its an unimaginable figure that is not feasible without the help of all of us, acting united as a Society.

Yes, you get the obvious or tangible benefit of networking with true professionals. Yes, you get reduced rates to purchase educational, development & estimating tools. Yes, you get discounts on freight and advertising. Yes, you get ENR at an unbelievable price. Plus DCD for free! Both, I believe are exclusive to ASPE. Yes, you have people working full time dedicated to making what you do more valuable. But, the most important thing you get to do with this group is the opportunity to get involved. Show off your skills where otherwise you may not be in a position that recognizes or encourages your personal development as we do.

That help we each can give other to accomplish and continue these endeavors comes in the form of the dues we all pay. It's how we combine our efforts. We can get involved and help reduce those costs through active volunteerism and leadership. Respect our overheads, help them work for you. Regardless of what we pay to national, even a bad estimate would show we get double that in return. Read Ed Walsh's report for convention and you'll agree with me that it is 10 X the value. Finally if we you want more out of it, put more in to it. Get involved at any level you can. If you don't have time, donate money. No one will be more rewarded than you.