

Wednesday, April 21, 2021

# Key Indicators Can Help You Unlock the Future and Elevate Performance



Presenter:

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Moderator

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Executive Director  
Geoprofessional Business Association

# 2020 Was a Very Unusual Year

- Boom or Bust?
  - Yes and Yes!
- What might 2021 bring?
  - Use your KPI's to gain insights and guide actions!



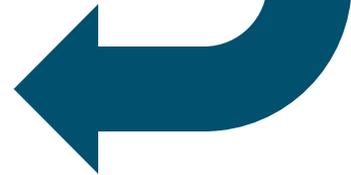
# Long Ago and Far Away

**BEING A PRACTICAL  
NOSTRADAMUS**  
*(You Don't Have To Outrun The Lion)*  
*Presented by: Guy Marcozzi, PE, LEED AP BD+C*



50th GBA GEOPROFESSIONAL BUSINESS ASSOCIATION 2019 SPRING CONFERENCE - WAILEA, HAWAII 1

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Presentation

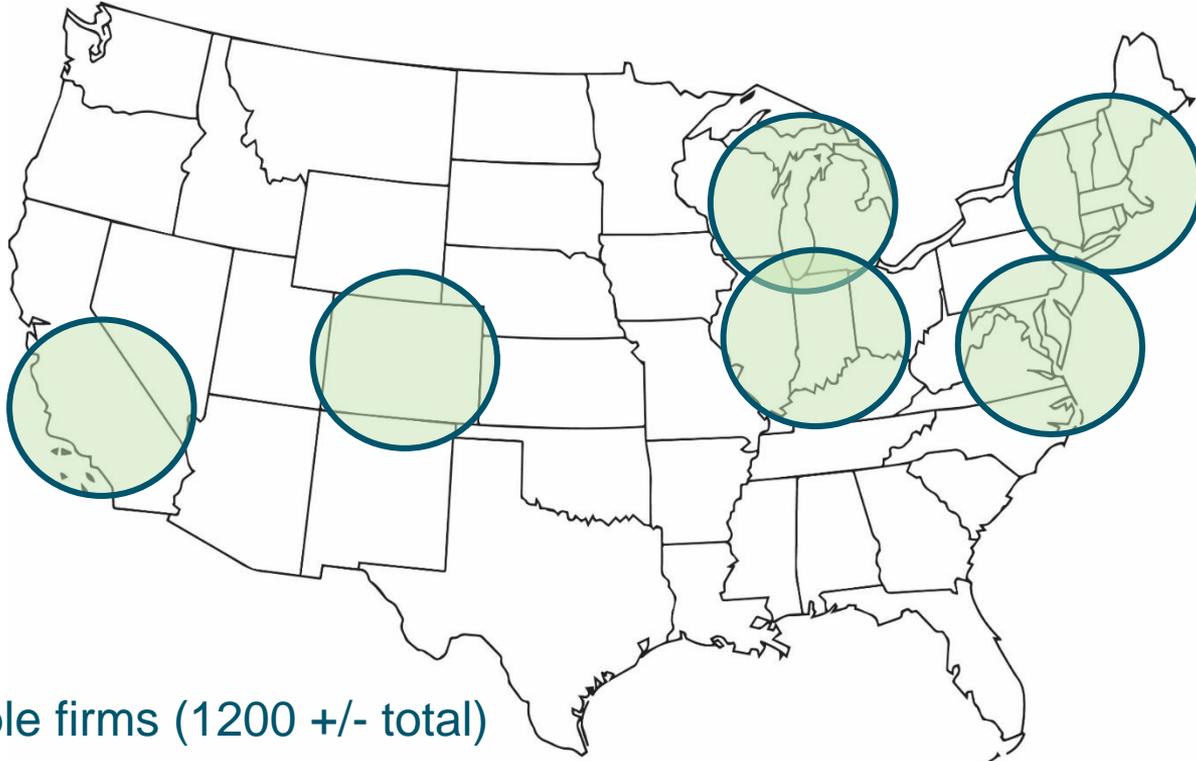


# Thank You!

- Lee James
- Kurt Fraese
- Participating Firms
  - CTL Thompson
  - Earth Systems
  - GeoTechnology
  - Sanborn Head
  - SME
  - Duffield Associates, LLC

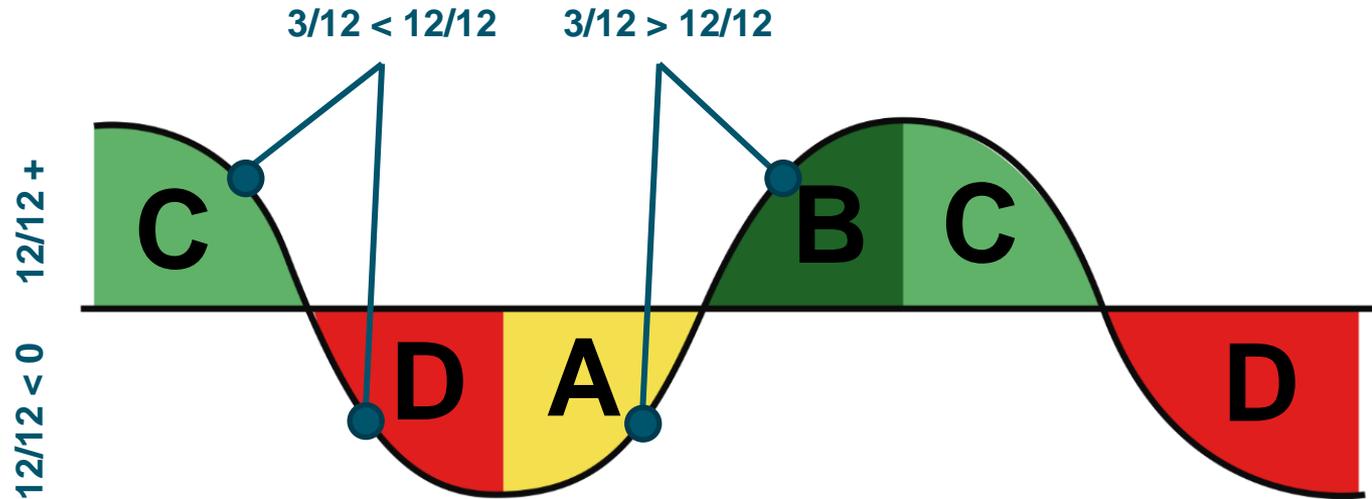


# Demographics



100-350 people firms (1200 +/- total)

# Business Cycles are Inevitable!



# Are we GROWING... or CONTRACTING?

## 12/12

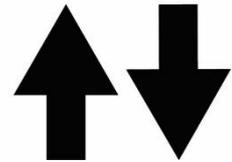
12/12 = Immediate past 12 months / Prior 12 months  
(24 months of data)

Example: April 2020 through March 2021

April 2019 through March 2020

Positive 12/12 indicates **growth**

Negative 12/12 indicates **contraction**



# *ACCELERATING* or D E C E L E R A T I N G?

## 3/12

3/12 = Most recent 3 months / prior 3 months

Example: January 2021 through March 2021

January 2020 through March 2020

Positive 3/12 indicates **getting better**

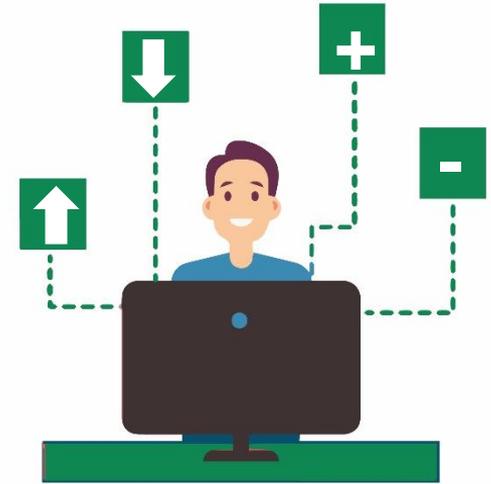
Negative 3/12 indicates **getting slower**



# Follow Along at Home!

Enter data in yellow boxes

		Input Monthly KPI	12 over 12	3 over 12	1 over 12	Phase	FTEs
2019	January						
	February						
	March						
	April						
	May						
	June						
	July						
	August						
	September						
	October						
	November						
	December						
2020	January						
	February						
	March						
	April						
	May						
	June						
	July						
	August						
	September						
	October						
	November						
	December						
2021	January						
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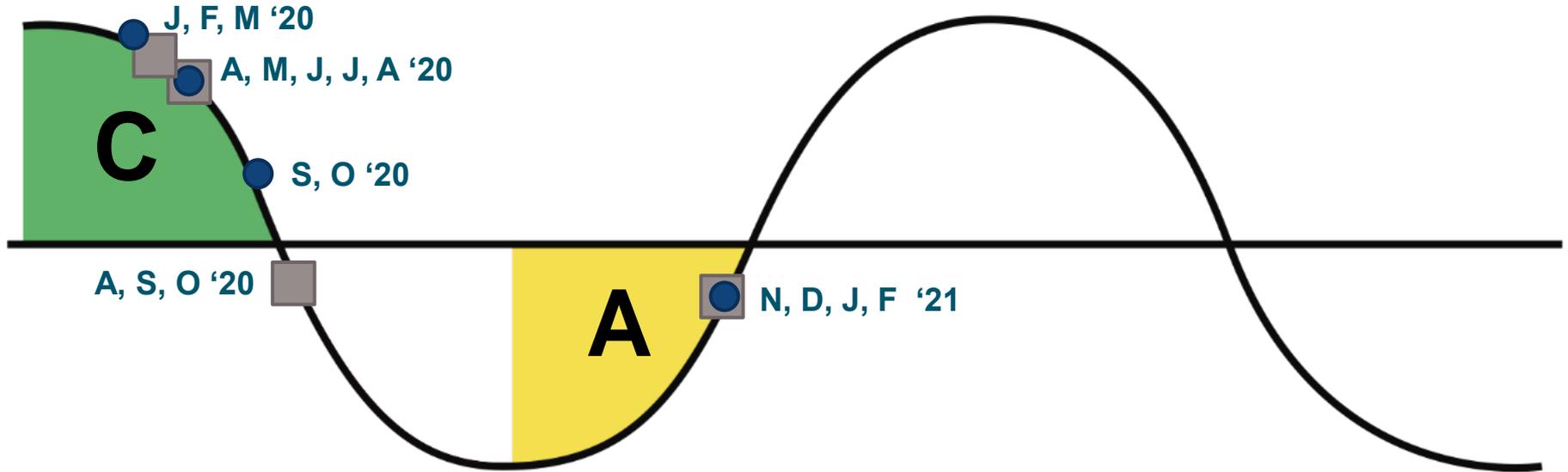


# Revenue Trends (February 2021)

## Revenue – Trailing Indicator

- As of February 2021
  - 12/12 turns negative in November, signaling end of long annual growth run
  - 3/12 are positive since November so it is beginning turn around
  - $3/12 > 12/12$  AND  $12/12 < 1$   $\Rightarrow$  Entering Phase A
- Normalizing for FTE
  - 12/12 turned negative sooner in August
  - 3/12 also went positive in November signaling Recovery
  - As of February 2021:  $3/12 > 12/12$  AND  $12/12 < 1$   $\Rightarrow$  Phase A

# Revenue Trends (February 2021)

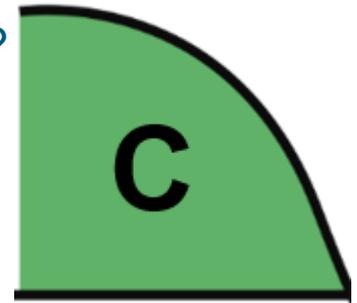


● Revenue

■ Revenue/FTE

# Best Practices – Phase C

- Enjoy these times!
- Are entering, comfortably entrenched or leaving Quadrant C?
- Where you are trending should influence your decisions
  - Good time to sell your business
  - Stockpile and use cash wisely
  - Preserve great clients and seek out off cycle clients
  - Sell/spinoff weak or under-performing assets
  - Manage AR tightly & be wary of permanent overhead late cycle
  - Set specific triggers for next phase cost reductions

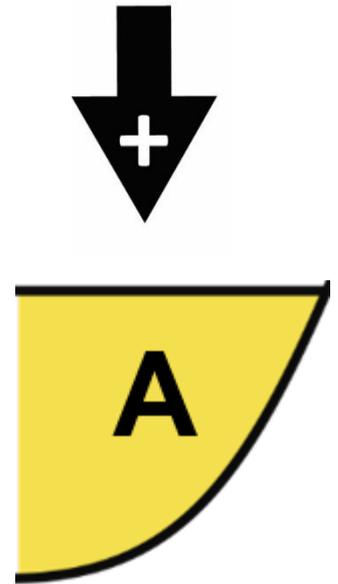


**Growing at  
slowing rate**



# Best Practices – Phase A

- The rebirth of the business cycle
  - Overcome emotional fears not founded in data
  - Could be a sign of new beginnings
  - Act decisively and take some risks
  - Hire the best talent while it's still cheap and available
  - Opportunistic timing for acquisitions/expansion
  - Secure cash flow and line up credit
  - Invest in training/technology to improve production
  - Double down on sales efforts



**Contracting but  
getting better**

# What Else Can We Track?



Trailing



Leading

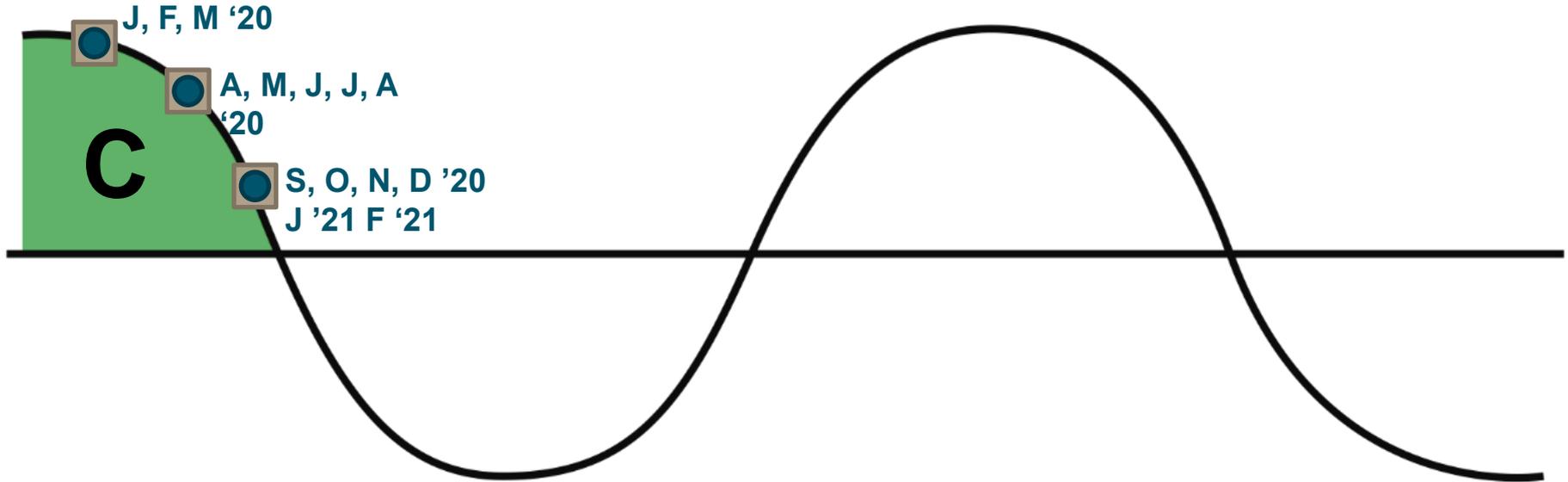
Revenue | Utilization | Backlog | Contracts | Proposals

*(Already Happened)*

*(Might Happen)*

- Leading KPI's give better insight into the **FUTURE!**

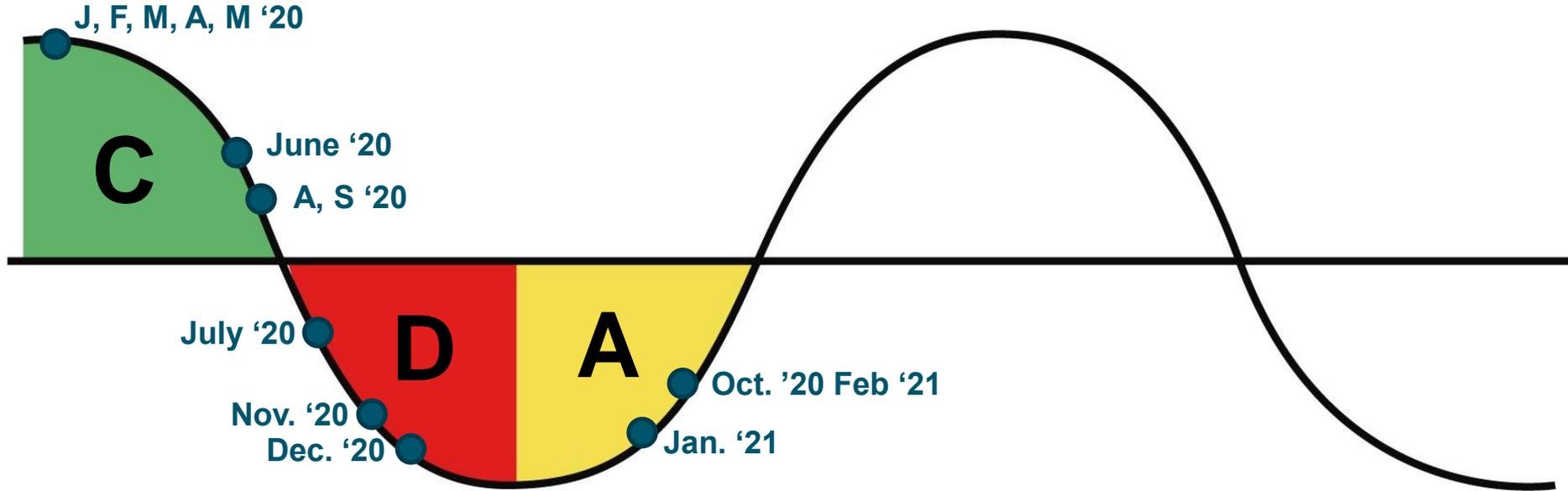
# Backlog Trends (February 2021)



● Revenue

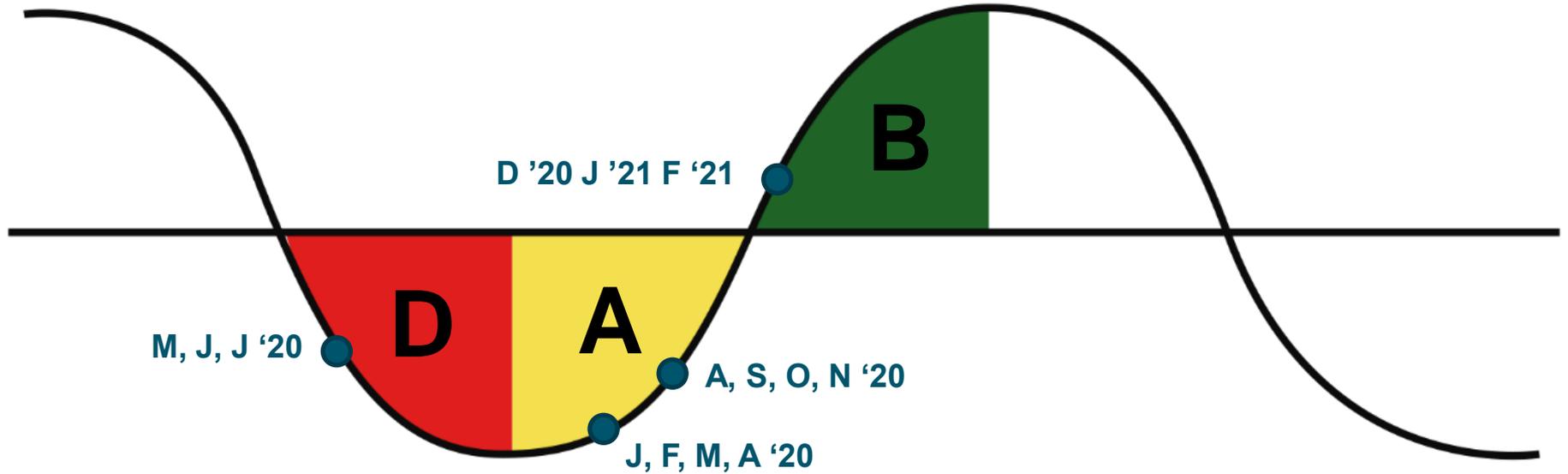
■ Revenue/FTE

# New Contracts \$ (February 2021)



● Revenue

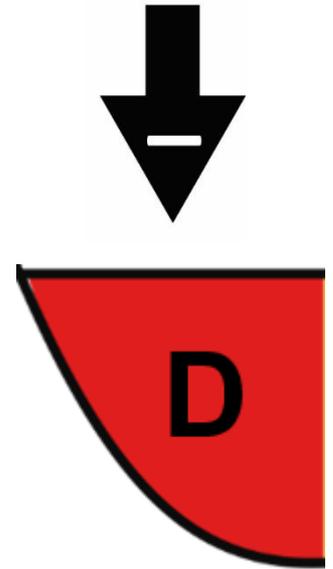
# New Contracts # (February 2021)



● Revenue

# Best Practices – Phase D

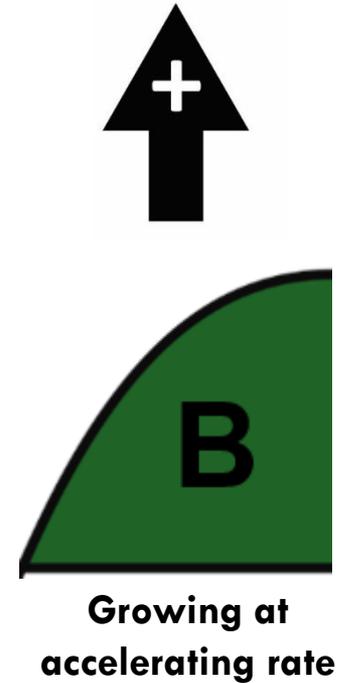
- The inevitable phase that you need to mitigate
  - Push button early on your contingency plans
  - Don't use assets to avoid hard decisions
  - Be proactive to resolve claims
  - Reassure and handle top talent with kid gloves
  - Opportunity for “wood pile” process improvements
  - Renegotiate leases and long-term commitments
  - Consolidate departments and management
  - Maintain selectivity (don't be desperate)
  - Keep an eye out for the next cycle change and be ready



**Contracting and  
getting worse**

# Best Practices – Phase B

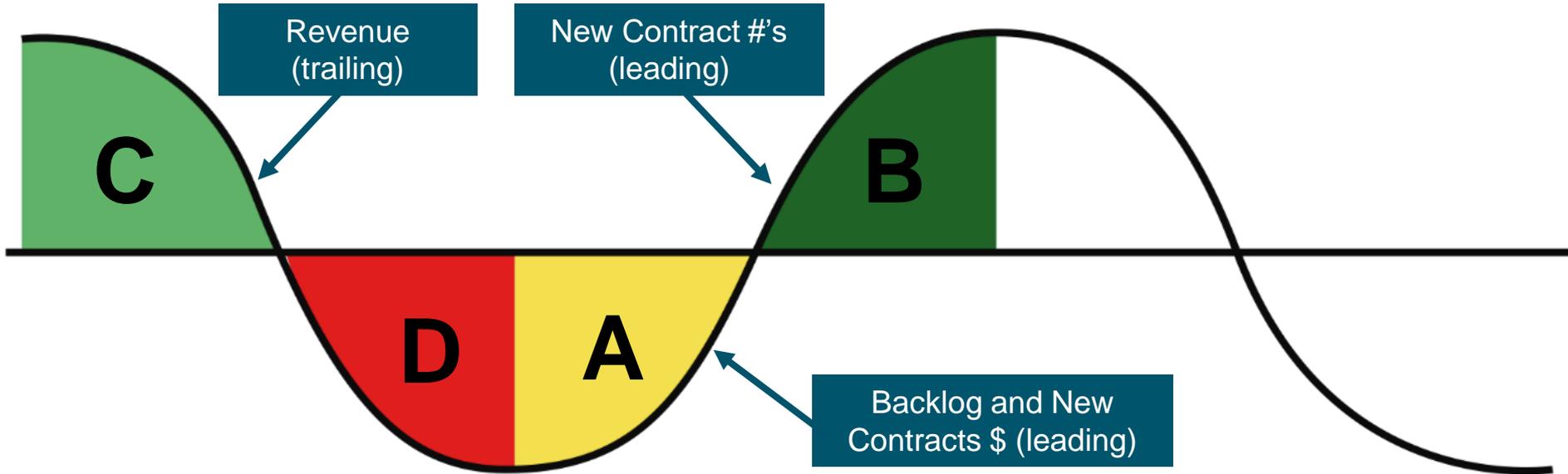
- The “goal” phase of most businesses
  - Can feel very hectic
  - Increase billing rates
  - Maintain and pursue quality/loss prevention
  - Remove process bottlenecks
  - Outsource non-core competencies
  - Expand into new markets with growth prospects
  - Chase unicorn clients
  - Be careful to not outgrow your cash flow
  - It will not last forever, but pat yourself on the back as the brilliant executive that you are



# General Observations

- Geoprosessionals were doing very well Pre-Pandemic
- Geoprosessionals generally weathered the storm well
- Backlog has held strong and remains a positive
- Some of our clients were hit harder than others
- More broadly, more sectors may be starting to recover
- Expect more growth in the coming quarter

# Trends Point to Recovery!



# Questions?

