



THIS MATERIAL REPRESENTS THE CONSIDERED OPINIONS OF THE BUSINESS PRACTICES COMMITTEE AND THE BOARD OF MANAGEMENT OF THE CORPORATION OF BC LAND SURVEYORS REGARDING REASONABLE STANDARDS FOR FINANCIAL COMPENSATION AND CONTRACTING OF PROFESSIONAL SURVEY SERVICES. INDIVIDUAL SURVEYORS SHOULD ALSO CONSIDER ANY UNIQUE ASPECTS OF THEIR INDIVIDUAL PRACTICES IN ORDER TO DEVELOP APPROPRIATE FEE SCHEDULES.

BCLS

Business Practices Committee BULLETIN

Value added

In the business world, a certain catch-phrase becomes popular, is then over-used and finally falls into dis-use in favour of a newer catch-phase. For example, a number of years ago economic pundits constantly referred to "a level playing field".

A phrase that is often used today is "value added". What does the "value added" concept mean? Is it applicable to the profession of Land Surveying?

In a traditional sense, a value added business processes products or materials in such a way that the processed product or material is more valuable than the un-processed one. For example, a sawmill processes logs, turning them into building materials or chips for pulp and paper mills. Therefore, in a traditional sense, tangible products are being dealt with.

Today's economy, however, demands that intangible products such as intellectual activity should be included in the value added model. For example, software may be intangible, but the result of the software's application is apparent. Indeed, the computer needs the software to do anything.

As a Land Surveyor, you will come upon situations where your particular knowledge or innovative capability produces a value to the client, which cannot be measured in terms of a simple dollar-per-hour charge-out rate. Your intellectual activity may have saved the client a lot of time and money and should certainly be treated as a "value added" situation.

Therefore, when you are working out the billing for the project, bear in mind that it may not be just a matter of adding up hours and multiplying them by charge-out rates.

You should also keep in mind the value you have added to the job through your knowledge and innovation.

The Business Practices Committee has published several bulletins dealing with dollars-and cents topics such as disbursements, billing rates and spreadsheet estimating. These are good tools in the day-to-day operation of your business.

As a professional, however, you should always be aware that your true worth cannot be measured by purely mechanical accounting means. The "value added" concept allows you to deal with the intangible aspect of a project.