

The Upside of a Downturn



By Terry Andereck

Executive Summary

Like other industries, civil engineering experiences cyclical economic downturns that force companies to contract, regroup and adapt. Rather than remain passive during times of economic challenge, civil design firms should see their reduced workloads as opportunities to improve workflow efficiency and invest in productivity-enhancing tools.



The real estate downturn has sent ripples throughout the economy and through the land development market in particular. So what do the experts tell us to do in such situations? How do successful companies adjust their strategies to make the best of difficult economic conditions?

According to a recent article in [Harvard Business Review](#),¹ good companies use downturns “as times to lay the foundations of future growth ... rather than as times to turn off the investment spigot.” The article cited a global financial institution that was the market leader in Russia in the 90’s. However, a financial crisis in 1998 caused the bank to retreat and cut back its investments in that region. A few years later, when the business cycle had run its course, that same company woke up to find itself 24th in the market it once dominated.

Although banking is not civil engineering, the example serves as a reminder to all of us: Those who retreat during economic downturns may wake up to find their competition has been shrewdly funding workflow improvements to further distance themselves from the pack. Good managers know that such incremental improvements in productivity translate into significant benefits when demand returns. The savvy, lower-cost providers capture new market share from those who had stopped investing under the false notion that they were reducing costs.

Our Chance to Invest in the Future

Over the years in my own career I’ve seen similar opportunities both taken and ignored. For example, I was involved in a CRM implementation for an organization that was actually facing declining sales in a shrinking market. Why did they put precious cash into a customer relationship management application at a time when they were operating in the red? They did it because their cost of sales was the highest in the industry. Simply hiring more inefficient staff would not make them competitive or profitable.



I've also found this philosophy at KETIV. Although this is a challenging time for civil engineering, we believe in helping you leverage these industry contractions to improve your organization's future productivity. KETIV offers software implementation consulting, training and work flow improvement consulting that can make a significant difference in your ability to compete.

Please give me a call to discuss your needs -- we're here to help.

Endnotes and Additional Resources

1. Pankaj Ghemawat, "Global Strategies for Uncertain Times," What in the World, Harvard Business Review (http://discussionleader.hbsp.com/ghemawat/2007/10/global_strategies_for_uncertai.html). Posted October 22, 2007. Accessed 11/21/2007.



About Terry Andereck

Terry Andereck has over 30 years of experience in high technology business development, working for IBM, MCI/Worldcom, Rockwell International, Rand McNally and CH2M HILL. During that time he held senior positions in sales, customer service, marketing, account management and business unit management with P&L responsibility.

Terry brings to his clients a deep understanding of business fundamentals: cost control, revenue generation and risk mitigation strategies. This broad background allows him to help customers maximize their return on investment in new technology. Terry earned a B.A. in economics from Claremont McKenna College. Online profile: www.ketivtech.com/terryandereck.

About KETIV Technologies

KETIV Technologies is a leading Autodesk solutions provider with 20 years' experience delivering CAD software and services in the Southwest United States. KETIV's team of industry experts increase the profitability of engineering services companies by proactively engaging with them to identify their business issues and deliver relevant solutions. KETIV serves the civil and mechanical engineering industries.

Contact KETIV

1.866.GO KETIV (1.866.465.3848)

www.ketivtech.com

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