The Case for Data-Supported Project Interviews

By John A. Dal Pino, S.E.

I enjoy reading The Journal of Light Construction (JLC) to learn about expert techniques used on residential projects. In their June 2019 issue, I read two articles; Defining Efficiency Goals – A process for selling performance in new homes by Indigo Ruth-Davis and As Best I Can by Mark Luzio. The Ruth-Davis article addressed how to sell high performing environmental designs for homes in Vermont by providing alternative designs with estimated construction costs and annual energy costs. The Luzio article focused on providing quality construction and working with clients. Luzio describes always doing the best he could, noting that he and his best clients know that everything is not perfect (“a fool’s errand” to quote), but that his work was not a low bid job either.

These two articles made me think about how to more successfully sell structural engineering services in a marketplace that frustratingly is continuing the trend toward commoditization, lack of personal contact, and selection decisions based on initial fee (the Amazon effect).

It must be written in stone somewhere that sophisticated and unsophisticated clients alike, be they architects, developers, or homeowners, must solicit three proposals before selecting their structural engineer. Proposal text, scope, and qualifications seem unimportant; just scroll down to the price and hourly rates and pick, since any building that meets the code must be the same as any other building that does too, right? My experience has demonstrated that price is almost always the basis of selection, even though clients have reassured me that it is not. Even long-term, repeat clients make selections this way. So much for loyalty and trust. Clients have also reassured me that they always get proposals from three “essentially equal” engineers, so there is no need for the decision-maker to speak with the structural engineering candidates on the telephone, or have a face-to-face interview to discuss design approach, performance goals, schedule, cost, quality, and communications (see Luzio). Given the monetary risk associated with making a decision based on little data, when not chosen, my last thought is always, “I hope they get lucky and it all works out for them.”

The July 2018 issue of STRUCTURE included an InSights piece titled Marketing Services in an Amazon World by Michael Bernard. Bernard argued that when faced with the low-bid, pick-from-three-choices dilemma, the best approach is to market using the tried and true relationship model and to develop a strong personal bond that will increase loyalty and trust, and make your firm the go-to choice. I agree.

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This would include providing alternative structural systems (for gravity, wind, or seismic) so that clients can see what they get for the price of each system. Where our industry falls short, compared to, say, energy usage (see Ruth-Davis), is that we have difficulty accurately predicting the benefit our work provides to the client, as measured by damage avoided relative to the cost. Trying to predict the actual damage and downtime to a building exposed to a major design-basis event due to wind, earthquake, or flood is difficult, if not impossible. The recent pictures from the July 2019 Ridgecrest California earthquakes (back-to-back 6.4 and 7.1 magnitude events) show minimal structural damage and plenty of structures standing or undamaged that most engineers would have predicted to be otherwise using our current tools. Faced with this reality, it is hard to sell quality, well-conceived structural systems, and high-performance alternatives, summarized succinctly by Luzio as doing As Best I Can. The lowest price seems to be the right choice. Ouch!

As you can see, I am more than a little frustrated by the current marketplace for structural engineering services. It is impossible for any one person to turn the clock back, but I think our clients would benefit greatly if we, as professionals, advocated for qualification-based selections that include face-to-face interviews where hard information can be exchanged, expectations and goals discussed, and a level of confidence developed. We can show how good we are too! Continuing to participate in the Amazon selection process will not turn out well for anyone. Classical theory on perfectly competitive markets, in which work products are not easily differentiated, tells us that. The low price always wins, and lots of the costlier, full service firms go bankrupt and engineers lose their jobs. This might not be obvious to everyone today because the demand for engineering services is high, but markets are cyclical.

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