



## Ethics and business values affect your bottom line

**I**n matters of ethics, you should consider how you choose to act and whether you are aware that your actions often influence your reputation and your bottom line. When conducting business, you quote for an assignment; indicating when it will be completed, and how much it will cost.

If you discover that your costs are going to be higher than anticipated, you have the choice of completing the assignment at the quoted cost or asking for additional money.

If you realize that you cannot complete the appraisal on time, you should provide your client with a revised estimate of the completion date.

Both these approaches sound simple and reasonable and, yet, I continue to receive inquiries on these issues. In the valuation marketplace, if your appraisal reports are going to be consistently late, you will not stay in business very long. The same applies if you tend to bid low and charge higher for unexpected costs.

That being said, there are valid reasons for appraisal reports taking longer than anticipated and incurring unexpected costs. How you choose to address these situations with your clients is a matter of your ethics and business values. In all cases, the ideal solution is to keep your clients informed. This will permit them to adjust their own timelines, and business decision-making accordingly.

For example, it is wise to advise the lender/client that, because of the unique nature of the property, it is difficult to find comparables, that you need more time to research zoning restrictions, and that you will be providing a revised cost estimate and timeline. The lender/client can then advise the property owner and their own manager of the delay. Because everyone is aware of the delays, your credibility is not impacted.

Alternatively, when you fail to stay in touch with your client, a property owner will frequently attempt to contact you. When you avoid the calls, he or she begins to question your ethics and business values, and that is when everyone involved – the lender, mortgage broker, spouse, business partners, and employees – will start to hear about your failure to deliver. By the time they call me, there may be at least a dozen others who have been told not to use your services – all because of a failure to keep your client apprised of the status on a file.

When you choose to act in a professional and ethical manner, it serves as a cornerstone for the success of your business, and your reputation, which, in turn, will always add value to your business. ♥

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