

# Contractor Success Guide

**HOW TO**  
Provide Killer  
Customer Service

PAGE 18

# CUTTING THROUGH THE BUDGETING MYTH

PAGE 8

**MAXIMIZE**  
Your Sales  
Potential

PAGE 21

**HOW TO**  
Make Price  
a Non-Issue

PAGE 13

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A SUPPLEMENT TO  
GREEN INDUSTRY

**PRO**  
Business Strategies For Landscape Contractors

# Your Employees Are Your Biggest Asset

Dear Contractors,

As I reviewed the articles that the editorial team at *PRO* magazine assembled for this issue of *Contractor Success Guide*, I was struck by how the success you will find in each area is dependent upon your employees. You may create the mission statement, but your employees are the ones that must deliver it, they help keep you within budget, they deliver the value to your customers, and so forth. As Hans Peter Stihl, son of the company founder and chairman of the advisory board STIHL HOLDING AG & Co. KG, has said, our employees are our greatest asset at STIHL. If you don't already realize it, the same is true for your company.



With the challenges we still face with the economy, maintaining employee morale is critical. In the article "How to Raise Employee Morale" you'll read about eliminating the things that de-motivate employees and addressing compensation. To those, I would add one thing: listening. While it may seem basic, the best-selling author, motivational speaker and co-founder of the National Association for Employee Recognition, Dr. Bob Nelson, advises that just the act of listening means more than you can imagine to most employees.

I encourage you to utilize such resources as *Contractor Success Guide*, as well as the Professional Landcare Network's (PLANET) website, [www.landcarenetwork.org](http://www.landcarenetwork.org) to help you find the best ways to treat your employees as your biggest asset.

Sincerely,

A handwritten signature in black ink, appearing to read "John Keeler". The signature is fluid and cursive.

John Keeler  
National Training Manager  
STIHL Inc.

## Retaining Customers Starts Behind the Scenes



Gregg Wartgow,  
Associate  
Publisher

Welcome to another edition of *Contractor Success Guide*. Now into our fifth year, we have to give a big thank you to STIHL Inc. for helping us reach this important mini-milestone. Considering all that has happened with the economy since we launched this special issue in 2007, it's inspiring to see a company that continues to stand by what it believes in.

Our readers tell us they believe that customer retention is the most important issue they're facing right now. With more homeowners and property managers re-evaluating the "value" of the service their contractors are providing, it's important to recognize that your ability to retain customers goes beyond just doing good work at a comparably low price.

Doing good work at a comparably low price requires good people, good equipment and good work processes. So the question is: Can a contractor continue to deliver good work at a comparably low price by merely bidding jobs low? If a contractor isn't making any money, can he continue to invest in the people, equipment, technology and work processes that make his company better? If a contractor's company isn't getting better, can it continue to retain customers? Maybe so, but for how long?

Retaining customers starts with a clear vision and strategic plan for your company that everyone can rally around. You also need an updated budget that reflects today's realities. You need a strategy for lowering prices (when necessary) without eroding your margin too severely. You need great employees who are excited to work for your company and understand what five-star customer service is all about. You the owner and leader then need a strategy for dealing with employee morale so your people will want to continue fighting the good fight with you. This edition of *Contractor Success Guide* takes aim at each of these issues. ◀

### 4 How To Develop Your Company's Mission

A strategic planning meeting is a highly effective way to regain the support of your staff and identify emerging opportunities.



### 8 Cutting Through the Budgeting Myth

You need to know how much you're selling, how much you're spending, what to expect in the future, and how you can make improvements.

### 10 How To Deliver Value For Less

Lawn maintenance contractors must remain patient and flexible, while devising a strategy to customize service offering, leverage creativity, increase marketing presence and stay involved in the community.

### 13 How To Make Price a Non-Issue

Two up-and-coming landscape contractors offer insight into how they've been able to put price on the back burner with customers.

### 14 How To Maintain Your Profit Forecast

When times are tough, it's important to continually propose new ideas to existing customers, focus on your margin producers, and look for ways to increase efficiency.

### 18 How To Provide Killer Customer Service

Simple, proven techniques to help your landscape company achieve that "5 Star Rating" customers will reward you for

### 21 Maximize Your Sales Potential

You can start growing your residential maintenance and/or lawn care business when you stop ignoring these four critical marketing considerations.

### 22 How to Raise Employee Morale

First you must eliminate things that de-motivate, and follow that up by addressing any issues related to compensation.



### 26 'Every 1 Counts'

At Senske Lawn & Tree Care, focusing on every single customer, employee, and opportunity to remove waste has this Pacific Northwestern company on a path to higher profits.

### 28 Survival Mode

As the Detroit area has finally begun showing signs of economic recovery, Bryan Buero of Trio Outdoor Maintenance hopes that his decision to target new customers with new services was enough to help his company hang on.

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**GREEN INDUSTRY**  
*Pros.com*

By Jon Ewing



# HOW TO Develop Your Company's Mission

A strategic planning meeting is a highly effective way to regain the support of your staff and identify emerging opportunities for your company.

**D**o you feel stuck in this economy or have doubts about the future viability of your business? A lot of contractors don't—because they've had a strategic plan in place that has helped them navigate their companies to a position of lesser vulnerability in today's environment.

A strategic plan defines a company's direction. A good strategic plan also sets specific goals and objectives, assigns responsibility and establishes timelines so that the new direction is eventually reached. Smart business owners allocate resources so that the new direction can be reached.

Make no mistake—we are operating in a completely different environment than we

did a few years ago. Ignoring margins, inferior salesmanship and lackluster customer service simply will not work in this business environment.

If you're not diligently working to improve your operating systems, strengthen your brand and diversify your service and/or customer mix, it's probably time to get started. And even if you have been doing all of these things, a strategic planning meeting is still a highly effective way to regain the support of your staff and identify emerging opportunities for your company.

So assemble your team, find a desirable location, roll up your sleeves and be prepared to completely dissect your busi-

ness—your very future could depend on it.

## Make it an Event

The strategic planning process should occur in a private area, generally off site from your business. It should be attended by key employees and/or selected staff members. If necessary, use a facilitator (maybe someone from your admin staff) to write down comments and keep the meeting moving.

The meeting should be attended by key staff, such as:

- Account managers
- Sales managers
- Office managers
- Supervisors
- Foremen

The important point is that you are trying to build a team approach through this process, so include any key staff members that you can spare for the day.

Make the strategic planning process fun, and try to keep it to a half day since all-day marathons tend to be counter-productive. When choosing a location, make it a special morning or afternoon that is comfortable for your staff and on a day that is not conflictive with their work schedule.

You may find that local hotels near your office will offer you reasonable rates for meeting rooms. One of your clients might even have a nice meeting room at their facility. You may want to order in breakfast or lunch to add a special feel for the day. Most hotels offer nice buffets or have it catered.

Bring along visuals and large poster boards to write down and collect data. Make sure everyone's idea or opinion counts. Remember, if your staff contributes to the process, they

## How Do You Stack Up?

- > 59% of contractors expect to grow maintenance sales this year
  - > 51% of contractors expect to grow lawn care sales this year
  - > 45% of contractors expect to grow enhancement sales this year
  - > Only 7% of contractors provide green roof installation and/or maintenance, but 17% would like to expand into this area
  - > Half of contractors say retaining maintenance business is harder than usual
  - > A third of contractors say retaining lawn care business is harder than usual
  - > 17% of contractors plan on hiring additional salespeople this year
  - > 32% of contractors enjoy net profits in excess of 10%
  - > 30% of contractors enjoy net profits of less than 5%
  - > 8% of contractors lost money in 2010
- Data based on October 2010 survey of *Green Industry PRO* subscribers

energy is starting to flow, begin your strategic planning session by defining the purpose of the planning session. You may suggest that you've gathered key personnel for the purpose of establishing company goals, focusing your efforts and building a team approach.

Also reach out to your staff,

your company's mission statement, which simply states your company's reason for being. A mission statement should communicate a sense of purpose to employees while also illustrating your company's image to customers.

Here's an example of a mission statement for a mid-sized diversified landscape company:

We are a service-oriented landscape installation, maintenance, lawn care and irrigation services business providing absolute satisfaction to our clients. Through an energetic, dedicated and creative approach, we are inspired to provide our services with integrity while promoting a gainfully employed staff.

Here's an example of a mission statement for a smaller lawn maintenance company:

As a company that is committed to a professional approach to our business, we provide

**A dynamic business is one where everyone works together with a strong sense of purpose while harvesting new ideas.**

are most likely to buy into the plan. A dynamic business is one where everyone works together with a strong sense of purpose while harvesting new ideas.

### Define Expectations and Mission Statement

After everyone has slammed a couple cups of coffee and the

asking each individual what their expectations are for the meeting. This information should be written down and acknowledged. This serves as an ice breaker and will make individuals feel comfortable that their ideas are important and that you value them.

This will lead into developing

## No Substitute for the Basics

TLC - The Landscape Company in Mesa, AZ, has come a long way since its founding in 1998. Now a \$2 million company with more than 40 employees, owner David

company it is today.

"We still have the first employee we ever hired, the first maintenance contract we ever signed, and the first truck we ever

came from."

The real secret to TLC's success is described by Spector as "feet on the ground." "Face-to-face client interaction is as important as it was 12 years ago," Spector says. Both he and son Louis spend a lot of time in the field meeting with property managers and attending association meetings. TLC has specialists on call 24 hours a day to jump on any emergency a client may have.

To attract quality personnel, TLC offers health insurance, along with paid vacation, holidays and personal days. To encourage good attendance, TLC will pay back unused personal days—unless the employee uses three or more.

Bonuses are also part of an employee's compensation package. The company sets a goal for net profit. If the goal is met at the end of the year, certain modifiers kick in, such as safety and client retention. A certain percentage of the net profit is placed in a pool, and is allocated to employees based on the modifiers and seniority.



Spector hasn't forgotten those early years—because those early years are what's made TLC the

drove," Spector relates. "The truck just sits out back at our shop now, but it's a reminder of where we

hands-on care toward quality landscapes through individualized attention. Our knowledge and hands-on approach provides superior one-on-one attention with a personalized touch.

### Dissect Your Business

Once your company's mission

statement is developed or re-evaluated, it's important to take a serious look at the following areas:

*What is going well within your business?* For example, maybe you have a good safety record, a good base of business or a well-established business. Be specific.

*What isn't going as well as you would like within your business?* Examples may be communication, uniforms or teamwork. Again, be specific.

*Who are your clients?* You need to categorize your clients and understand who you work for. This could be architects, general contractors, property



Dan Standley of Dan's Landscaping in New Orleans had to quickly change his business model after Hurricane Katrina in 2005.

managers, private business owners and homeowners.

*What is your client's situation?* Conduct a close examination of what you see your clients dealing with. For example, are they faced with tightening budgets, water shortages or more competition?

*What external factors face your business?* External factors facing your business might be the economy, weather, political, environment, etc.

*Staff evaluation.* You need to understand the pros and cons of your staff. Are they well-trained, committed, skilled, unskilled, complacent, energized, etc?

*What opportunities are available to your business?* This can be a fun area to explore. Try to determine if your company has a new niche it can explore

such as golf course work, HOAs, estate homes, irrigation management, etc. At the same time, determine if you can further emphasize specific areas you currently service. As an example, do you service hotel properties within your market? If not, could you break into that business? If you service HOAs, could you place more focus on that segment?

### Set Goals and Objectives

Once you and your key staff have fully dissected your business, establish your goals for the year by incorporating and committing to the items discussed above. Keep your goals well-targeted to three or five specific items.

For example, one goal might be to improve office efficiency, a second might be to improve

staff development, and a third might be to explore growth opportunities. Arrive at your goals through consensus knowing that every opinion is important.

Once the goals are defined, it is important to apply specific objectives to each goal. In other words, what specific activities do you plan to do to accomplish the goals set forth within your strategic plan?

Once you complete this exercise, your strategic plan should be finished—complete with goals, objectives and specific activities to give your company a fresh start. Type it up and give it to your employees, or at least the key personnel who were part of the strategic planning meeting. And don't be shy about posting goals throughout the facility. Additionally, make your mission statement visible to all staff, and make sure it's posted in key meeting areas.

If you're like most landscape contractors, you're playing by a whole new set of rules these days. But with the new challenges you face come new opportunities. Embrace them, both the good and the bad, and bring your team together to help dissect your business, identify opportunities and navigate your company to a less vulnerable position. ◀



Jon Ewing has over 30 years experience in the Green Industry. He was the founder of Landtrends Inc., a multi-state landscape construction and maintenance firm based in San Diego, and was also the co-founder of Miramar Wholesale Nurseries. Visit [jonewingconsultingservices.com](http://jonewingconsultingservices.com) or call (858) 229-9893.

# CUTTING THROUGH the Budgeting Myth

**At the end of the day, you need to know how much you're selling, how much you're spending, what to expect in the future, and how you can make improvements.**

In running a contracting business, few things are as important as sound estimating and budgeting. Why is it, then, that so many contractors fall short in these areas?

Let's be honest: Some aren't disciplined enough to stay on it. Others simply don't want to take the time to do it at all. But for many, estimating and budgeting is a very intimidating, confusing part of the business.

The fact is, budgeting and estimating can be as

complex—and confusing—as you want to make it. But at the end of the day, you need to know how much you're selling, how much you're spending, what to expect in the future, and how you can make improvements.

## Charting Your Course

The first step is simply making sure your chart of accounts is established and well-understood. The chart of accounts, which should follow those



listed on your income statement, provide a listing of names and accounts your company has identified for recording transactions. “Remember, a company has the flexibility to tailor its chart of accounts to best suit its needs, which includes adding accounts as needed,” says Jon Ewing, a former contractor and now business consultant.

Generally speaking, smaller companies want to list their assets, liabilities, equity, revenue and expenses. You may want to get a little more detailed. For instance:

#### Revenue

- Residential construction
- Commercial construction
- Residential maintenance and lawn care
- Commercial maintenance and lawn care
- Snow removal
- Tree care

#### Direct Costs

- Labor
- Materials
- Workers’ comp
- Payroll taxes

#### Indirect Costs and Overhead

- Vehicles and equipment
- Marketing
- Insurance
- Rent
- Utilities
- Administrative ... etc.

“It’s important that you have some sense of historical data for each line item you identify,” Ewing explains. Take a look at the past few years to see how revenue and cost from each line item has been trending. “If the data isn’t available, you need to assign an estimated value to each line item,” Ewing says. “But of course, actual historical data is going to be better than just going with your gut.”

## Forecasting Revenue

Once your chart of accounts has been established and dollar values have been assigned to each line item, you should start trying to forecast revenues. Here’s where a little more detail will really come in handy.

“I recommend further breaking your revenue down by specific job-site classifications, such as HOAs, municipalities and retail facilities,” Ewing says. For example:

#### Commercial Maintenance:

- Sports facilities
- Manufacturing facilities
- Retail facilities
- Municipalities

“From there you can analyze the opportunities each specific group presents,” Ewing goes on to explain. “For example, you may look at municipalities and forecast that you have a 10% increase in sales opportunities. Or on the residential side, the HOAs you service haven’t been impacted as much by the recession, so you could realistically grow sales 5% there.”

## Forecasting Expenses

Once you’ve done some thinking and put a realistic sales forecast together, it’s time to estimate your expenses. Direct costs (labor and materials) will rise and fall in correlation with revenue projections, so this shouldn’t be too difficult. However, as you’re growing sales, it’s important to recognize the fact that, due to potential economies of scale, you could have a great shot at reducing your direct costs and improving your gross margin.

With respect to indirect costs and overhead, they are normally fixed, meaning that they do not rise or fall with changes in rev-

enue—unless you add sales or admin staff, buy new equipment, make facility improvements, increase marketing, buy new software, etc.

Conversely, Ewing says many businesses have opportunities to eliminate some fixed costs, perhaps by seeking rent reductions or lease improvements, or selling idle equipment. “Any savings you realize would then be reflected in your budget, improving your profit forecast—which is the name of the game,” Ewing points out.

## Making It Happen

Once the budget is in place, you have established your targets based on intelligent assumptions. In order to then go out and make it happen, you must model your business plan to strive to attain all targets and goals set forth in your budget.

For example, if your sales goal target for municipalities calls for a 10% increase, identify that number and track it through consistent tracking methods. Perhaps you would meet with your sales team bi-monthly to evaluate your progress and investigate all opportunities required to achieve your goal. From the cost end, it is also imperative that you monitor costs each month to make sure you are tracking as planned.

Through this disciplined approach, you are able to better manage and eliminate surprises. And hey, those surprises are the one thing contractors hate even more than wrestling with numbers. So here’s to becoming a numbers guy. ◀

By Rod Dickens

# HOW TO

## Deliver Value For Less

Lawn maintenance contractors must remain patient and flexible while devising a strategy to customize service offering, leverage creativity, increase marketing presence and stay involved in the community.

**F**or landscape contractors, especially those providing maintenance services, the down pressure on pricing isn't new, it's just worse, says Green Industry business consultant Rod Bailey. As he explains, the market has long viewed landscape maintenance as a commodity. Add to this perception the economy, along with increased competition, and landscape contractors need more than a sharp pencil. They need a whole new way to look at doing business.

Another longtime industry consultant, Frank Ross, agrees. "How profitable a company is depends on its price structure, sales volume and ability to control costs. When price is removed from the equation, then sales and cost controls naturally assume a higher pri-

ority. Companies have to sell more at a lower price or reduce their overhead, or do both. They have to start thinking out of the box."

"Companies have to sell more at a lower price or reduce their overhead, or do both. They have to start thinking out of the box."

### Recognize That Every Situation Is Different

Both Ross and Bailey emphasize that one size doesn't fit all, meaning every situation is different. "There are many ways to increase sales volume and reduce costs," Ross points out. "Owners have to find the right combination to fit their companies and markets."

"No matter what this combination is," adds Bailey, "choosing the right one requires

being innovative and proactive. Owners, for example, may have to spend money upfront to optimize long-range operating costs, or maybe have to become more creative with

their service offerings. Getting rid of small strips of grass, employing 'tear drop' mulching areas around trees instead

of circles, and modifying plantings can reduce maintenance time and costs. Then, contractors have to stick to their current customers like glue, and talk with them early on about value and how their company can help reduce maintenance expenses."

### More Solutions Than Just Cutting Labor

"Select a solution that's good for you," Ross re-emphasizes.

## The Think Tank

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### BILL HORN

is a landscape contractor and the vice president of Denver-based Terracare Associates.



### BRUCE MOORE SR.

is a landscape contractor and the president of Eastern Land Management in Stamford, CT.



“And don’t go halfway. Make a statement and settle in because it will likely take three to five years for the economy to turn-around. This is serious business, but there are solutions.”

Some solutions are more difficult than others. Layoffs, reducing benefits and freezing wages are tough but often necessary moves. As Ross explains, when customers won’t accept the price you’re asking for your service, they’re essentially saying, “We are not willing to pay for your standard of living.”

There are other moves one can take in lieu of or in addition to labor initiatives. At this past October’s Green Industry Conference (GIC) in Louisville, Bill Horn, vice president of Denver-based Terracare Associates, and Bruce Moore Sr., president of Eastern Land Management in Stamford, CT, talked about some of them.

### Customize Service Offering

“Determine what clients value and focus on that,” says Horn. “It’s easy to use the cookie cutter approach, to treat every job the same way, using the same equipment. In this industry, companies traditionally had a standard template. They pruned so many times a year, mowed so many times and fertilized so many times. That’s all changed now. You have to ask clients what they want, and avoid spending hours on something they could care less about.

“Being proactive with individual clients also provides an opportunity to educate them about ways they can save

money by employing innovative water management strategies and modifying their landscapes to reduce maintenance costs,” Horn adds.

### Be Creative

“The industry has matured over the last 30 years,” Moore says. Agreeing with Bailey, he notes that pricing pressures have been building over the years and that more progressive companies have already been looking for efficiencies and practicing value engineering with clients. The economy has further squeezed companies, requiring owners to be creative to stay profitable.

Moore uses snow removal as an example: “For contractors in the snowbelt, removing snow has been very profitable. Unfortunately, it can also be unpredictable for both clients and contractors. Since the current economy doesn’t give anyone the luxury of taking risks, many of our clients want to amortize fixed snow contracts over 12 months rather than signing up for a per-push agreement. They know what their snow removal costs will be, and it’s good for us, too. Yes, we’re taking the home run out of the equation, but we can plug a definite number into our budget.”

“Question everything, and evaluate and re-evaluate everything you’re doing,” Horn relates. “On one property, for example, we mowed vast expanses of turf with a large, out-front rider, but recently changed to a 12-foot wide-area mower that cuts our mowing time in half. You can always

become more efficient. That goes for the type of equipment you use to routing strategies and reducing other direct and indirect expenses.”

### Increase Your Marketing Budget

Terracare Associates doubled its sales force this year in an effort to increase its top line and be in position to grow when the market improves. “You want to be in front of everyone else,” Horn explains. “You don’t want to play catch up.”

### Present a Professional Image

As Moore points out, customers still want value, but at a lower price point. They want licensed and trained professionals on their properties. “Delivering value and settling for lower profit margins are mutually exclusive,” he emphasizes. “We expect to maintain our profitability in 2011, which will allow us to continue to train and take care of our employees and provide the value our customers expect.”

### Stay Involved

Both Horn and Moore point out how important it is to continue to participate in community service projects. “The community needs your support now more than ever,” they emphasize. “Give and it will come back tenfold.” ◀

## Right-Sizing Crews

When implemented correctly, right-sizing crews can prove to be the quickest way to make a dramatic impact on a maintenance division’s bottom line. Here are some things to consider.

**Big crews are often less efficient.** With a five-man crew, you might have one guy mowing, two trimming, and two edging and blowing. But with that many guys, it’s harder to pinpoint where any inefficiencies are.

When one guy is mowing, one is trimming, and one is edging and blowing, you can go directly to the source when a certain task doesn’t get completed within the allotted time. It’s all about accountability. Furthermore, smaller crews will result in less tripping over one another on the job, and less dollars down the drain via windshield time.

**Sometimes two crews are better than one.** If you have a three-man crew assigned to small or medium-sized properties, you could make it a two-man crew. Then, take that third guy and put him solo on your smaller properties that require less than one man-hour to complete. If implemented correctly with smart job sequencing,

this could result in big efficiency gains.

**Small crews can still handle big jobs.** I know what you’re thinking: Smaller crews can’t handle jobs that require 25 to 30 man-hours. You’re probably right. But why not have two small crews gang up on that big property? Could two crews show up bright and early to knock out the mowing? Then, one crew heads off to another property while the second crew sticks around to trim and blow? Explore your options and talk it over with the client.

**Overcoming staff resistance.** There’s a good chance that your employees will become a bit uneasy when you suggest the downsizing of crews. Call a company meeting at a relaxed venue, such as a company picnic, to introduce the concept. Explain the rationale. Explain how it will help make the company more competitive. Tie it all back to how it benefits the employees because they’ll have more job security—if they continue doing a good job—and can eventually make more money.

# HOW TO

## Make Price a Non-Issue

Two up-and-coming landscape contractors offer insight into how they've been able to put price on the back burner with customers.

**M**any landscape contractors report that the 2009 "quest for the lowest bidder" which some consumers had adopted has now given way to the consumer's renewed desire for quality and value. Here are thoughts from two up-and-coming landscape contractors as to how they've managed to put price on the back burner with customers.

### **Jeremy Eck of Spruce It Up in Springfield, MO, a 2007 Pros in Excellence Award Winner.**

I have found that with the way the economy is, consumers are looking for exceptional

and not necessarily price, but the quality and attention to detail. They had seen our work and want to make sure their image does not deteriorate.

It seems consumers are wanting to make sure, even more now, that they get the best possible service. For this reason we added a separate shrub and bed maintenance crew last year that allowed us to visit properties more often, which then allows us to respond much more quickly when a problem arises.

Our landscaping division is still going strong, but is shifting from new construction to renovations and more customized services. Irrigation is still

### **Matt Seipp of Seipp Lawn Care in O'Fallon, IL, a 2007 and 2009 Pros in Excellence Award Finalist.**

We haven't seen much of a sales decrease since the recession began; we were up 37% last year and were up 25% the year before that.

We've always been more than fair with everybody. The service we deliver for the price we ask for is competitive and fair. Our clients are good to us and we try to reciprocate. We do some little things for them that they'll never see a billing for, like when a storm comes through and it's not a major deal where we're experiencing hefty disposal fees. We might even trim a single shrub that takes 10 or 15 minutes if we're already on the property performing other services.

That doesn't mean we'll work for nothing. We stay profitable and hire people and pick up new accounts and buy new equipment. But many of our clients have been with us so long that there's trust, and that trust is a two-way street. I'm very fortunate we work for the people we work for. ◀

"It seems consumers are wanting to make sure, even more now, that they get the best possible service. For this reason we added a separate shrub and bed maintenance crew last year that allowed us to visit properties more often."

service. I had actually received numerous calls in 2010 from customers of other contractors who were looking to compare—

steady as usual on service. Snow removal has been going well, but that as we all know can change in an instant.

# HOW TO Maintain Your Profit Forecast

When times are tough, it's important to continually propose new ideas to existing customers, focus on your margin producers, and look for ways to increase efficiency.

**M**any landscape contractors in today's market conditions are experiencing the problem of not making their projected sales figures. But remember that your real target is that bottom line number called profit.

The question is: Can you maintain your profit forecast in a slow economy? Management consultant and former landscape contractor Rod Bailey discusses some strategies you might want to consider.

## Improve Sales Revenue

If you are a maintenance contractor, make sure you review your properties to propose enhancement ideas to your customers. Are there modifications you can suggest that would improve the appearance or maintainability of the property?

This is typically high-margin, negotiated work that can kick through to your bottom line. Don't be afraid to reduce your price when you make a cost-saving improvement for a customer; just make sure you keep the same margin dollars you

had previously built into the contract.

If you are a design/build or installation contractor, review past projects and properties for the same type of ideas. Customers appreciate this type of follow-up and it gives you the opportunity to stay in touch.

Again, this is typically high-margin, negotiated work. Offer your past customers a tune-up review to maintain the value and appearance of the landscape work you did for them.

Market, market, market! Make sure you are getting your name out there. Some of your competitors are going to disappoint their customers as a result of all the cost cutting. Be there to pick up the business when the customer wonders where to turn next.

## Reacting to Pull-Backs

If your maintenance customers call to cancel a contract because they are having personal financial problems, offer them a survival-level program. This move will prevent their landscapes from losing value

before economic conditions improve. When you do this, make sure you document these "temporary" service reductions so you can restore full service when budgets begin to improve.

If you have an installation project cancellation, consider offering to phase-in the project over an extended period of time. If customers can't afford it, offer them a Phase One option and defer Phases Two and Three until conditions improve.

## Focus on Margin Producers

You may have a lot of deadwood that's lurking among both your staff and your customer list.

With respect to staff, eliminating those who are not fully productive and reshuffling the work to the highly motivated is a typical necessity during periods of slow economic growth.

With respect to customers, remember the 80-20 rule: In any given population, 20% of the participants contribute 80% of the result, and 80% of the

participants are only contributing 20% of the result. Conduct a gross margin analysis of all your customers and you will find that this rule is not far off. Focus on the 20% who are really contributing 80% of your gross margin dollars. Stick with these customers and put your focus on them.

You may find that by cutting off some of the other 80% of your customer list (I'll bet you even find some losers in there), your overall efficiency will improve tremendously—and with only minimal impact on your bottom line.

Review your service or product offerings with the same thought in mind. Which services are really contributing the higher gross margins, and which are not? By pruning the poorly performing services or products, you can get more bang for your buck.

### Improve Efficiency

Better training and better equipment are both proven methods when it comes to increasing efficiency.

Many equipment dealers are offering good incentives right now. More efficient trucks, mowers or small track loaders that may not have made economic sense to you before might look real good right now.

Better training, of course, is another answer—and now is a good time of the year for doing that. A well-trained crew will out-produce an untrained

crew by a major efficiency factor. Train them to look for efficiency-improving ideas on the sites you are working and make sure you act on the ideas they produce.

### Reduce Overhead Costs

A close review of overhead expenses can produce great benefits to the bottom line, because cost reductions drop right through to improved profits.

**Train (employees) to look for efficiency-improving ideas on the sites you are working ...**

Can you renegotiate rents paid on facilities? Can you reduce interest expenses by improving your cash flow and paying down debt, or can you renegotiate loans? Review utility and communications costs for additional savings opportunities.

Take a look at your depreciation expenses. Under tax rules that have been liberalized in recent years, most of us write-off equipment at accelerated rates to gain the tax benefits. However, if you spread out your depreciation costs over a few years, your costing and competitiveness will be more consistent.

### Can You Hit Your Numbers Now?

We have discussed a broad number of approaches for improving your financial performance—things that worked for

Rod Bailey's landscape company over 30 years and three recessions ago, including the recession of 1980-81.

Some of these investigations and considerations, such as looking at the services they were providing, produced radical changes for Bailey. "We were making it in maintenance but losing it in construction," he recalls. "We cut the size of our company in more than half and bailed out of the design/build and bid/build markets. By making this decision in early March, we were profitable again by July, rather than out of business by June. Then, once things stabilized, we began doing installation work again—but only for our existing maintenance customers who were requesting it."

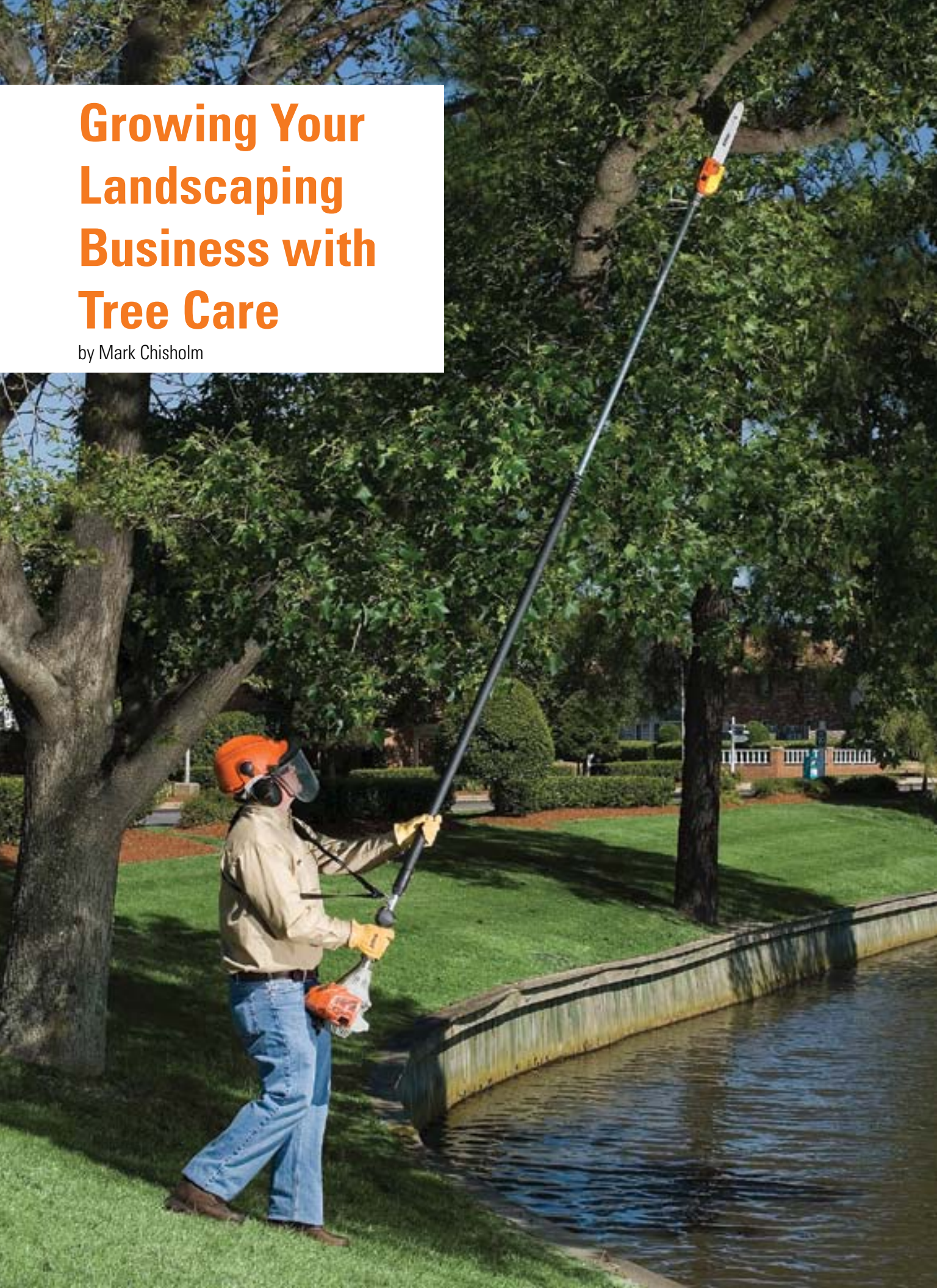
If you have already tried some of the ideas presented in this article and are still not hitting your numbers, you may have to bite the bullet and revise your numbers. This may require great innovation in your business model. But as the old saying goes: "When the going gets tough, the tough get going." And as Bailey likes to say, "When the going gets tough, the tough get innovative." ◀



Rod Bailey is a management consultant and the president of Alder Springs Enterprises Inc. in Woodinville, WA. He can be reached at (206) 612-2704 or via email: RodLBailey@hotmail.com.

# Growing Your Landscaping Business with Tree Care

by Mark Chisholm





If you own your own landscaping business, chances are at some point, you've considered branching out into tree care. There are many reasons why you might want to try it. Perhaps you are looking for additional revenue or maybe you are looking to reach new audiences and expand upon your current client base. Perhaps your clients are asking for your assistance with their tree work, and you'd like to add depth to your company, or maybe you'd just like to give your employees a chance to grow and take on additional responsibilities. Whatever your reason, adding tree work to an existing business is easier than you think. Read on to see some of the most common ways to grow your business by increasing your offerings.

### Professional Referral

By working with an existing tree care professional, you can expand your business without using any additional resources. It's fairly easy as well, you simply agree that any time you receive an inquiry about tree care, you will call on this professional to do the work. This option also allows the tree care professional to refer you in return for any landscaping inquiries they might receive.

### Subcontracting

A step beyond referring another professional for the work is subcontracting the work out yourself. This route is a bit more difficult, and you should ensure that you and the tree care professional are both properly insured for the work to be completed.

### Consulting

Hiring a part-time consultant for outside work might be an option for you if you would only like to dabble in tree care, and don't see it becoming a core focus of your business. Consulting may also be addressed in-house if one or more employees has the motivation and aptitude to become an International Society of Arboriculture (ISA) Board Certified Master Arborist, or similar credential, and even become a member of the American Society For Consulting Arborists (ASCA).

### About Mark Chisholm

One part acrobat, one part expert rope climber, one part tree physiologist, and several parts competitor and thrill seeker, Mark Chisholm is a third-generation arborist with his family-owned Aspen Tree Expert Company in New Jersey. An International Society of Arboriculture (ISA) Certified Arborist, Chisholm's expertise in tree care has made him a sought after consultant and industry spokesperson for the world of arboriculture, and he regularly travels the globe to consult with international arborist associations.

Sponsored by STIHL, Chisholm has won every ISA New Jersey Chapter Tree Climbing Championship for the last 18 years and has conquered the wider tree-climbing world on three occasions, most recently in 2010, when he won his third ISA International Tree Climbing Championship. Chisholm currently holds the world record in the 50-foot secured footlock climbing event, with a time of 13.8 seconds. Learn more about Mark's work at [treebuzz.com](http://treebuzz.com).



### Partial Service

A great way to expand without providing full service tree care is to add some smaller services such as elevation pruning, structural pruning, brush chipping, or ornamental tree shaping to your business. Keep in mind that more services will mean more equipment and more training, and be aware that you may need to have a specific insurance plan and worker's compensation available.

### Full Service

Full service tree care is the biggest investment, but can also bring the biggest profit potential. Look for unique ways to provide service to your clients, such as lightning protection or integrated pest management and plant health care in order to provide the most value for your clients. Be sure to undergo training often to stay current on new tips, equipment and trends, and learn your local legislative requirements in order to ensure your company is always compliant.

Adding tree care doesn't need to be a daunting experience. There are ways to grow your current offerings while still remaining within your comfort zone, and there are ways to diversify completely without adding on too much risk. The benefits of providing a one-stop shop for all of your landscaping clients might far outweigh the logistical learning curve you'll undergo in order to get there.

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By Jeffery Scott



# HOW TO Provide Killer Customer Service

Simple, proven techniques to help your landscape company achieve that “5 Star Rating” customers will reward you for

**E**veryone knows that providing killer customer service is the key to growing your company’s reputation. But are you aware of how it will help grow your company’s bottom line?

The wealthier the client, the more important professionalism is. If you want to get the attention of someone responsible for managing commercial sites, appearance is also very important.



If you could provide higher levels of service, you would:

- Reap more referrals who buy at your margins
- Have fewer go-backs
- Waste less time with client complaints
- Collect your money easier
- Retain your clients longer
- Become more efficient with

each account

- Enjoy more forgiveness when you do make mistakes

If you could raise your client retention by just 5 percentage points, imagine how much faster your business would grow—both top line and bottom line. The question is: How do you achieve such high standards of service?

Below are five simple techniques that are proven to create higher levels of service and profits.

## 1 Set Your Standards High

The top hotels in the world are awarded 5 Stars when they give “the best” customer service. You too will be awarded with more business at higher margins when you give killer customer service in a professional and consistent manner. But what will it take to motivate your employees to operate consistently at this high level?

Let’s look at the hotel rated No. 1 in the world for service, The Ritz-Carlton. They use a simple technique. They have created a list of “gold standards” that every single employee learns, adapts to and operates by. Their gold standard contains rules like:

- I give a warm, sincere greeting, looking the customer in the eye and using their name
- I anticipate and fulfill each of my customer’s needs
- When a problem arises, I take ownership of the problem until it is solved
- I give a fond farewell and warm goodbye, using the customer’s name

These standards could work

in the Green Industry. Then, you need to consider some standards that apply specifically to your business:

- I return phone calls and emails within the hour, and always by the end of the day
- I find a way to say “yes” to all of my customer requests, even if it means finding another solution
- I keep my customers informed every step of the way, and I reach out to my clients proactively to keep them informed, so they never have to reach out to me to check on progress

These are just examples of killer customer service standards. You need to pick and choose the ones that make sense for the size of your firm and your niche in the marketplace. But remember, shoot high and you will reach high.

## 2 Make Your Standards Come to Life

It is one thing to develop official standards, but it is a much different thing to actually make these standards come to life in your company.

Following the motto, “what gets repeated, gets remembered,” Ritz-Carlton picks one standard a day, and has every employee discuss how they will apply that standard to their job. The hotel staff gets together in small groups and has a quick conversation around the standard. If Ritz-Carlton can do this with 38,000 employees, you can do it too. If once a day seems too daunting, then try it once a week.

The key to long-term success

is to create standards based on your company's core beliefs, your managers' experiences and your customers' input. Once you create your standards, get feedback on them from your staff. Buy-in is the key to execution—and consistent execution is the key to killer success.

Buy-in is the key to execution—and consistent execution is the key to killer success.

### 3 Consistency Is King

Consistency means that the owner/leader must walk the talk, otherwise the employees will not. In practice, your standards must be discussed (in some form) and practiced every day. For you Northerners, this means discussing your standards both in-season and off-season.

### 4 Listen to Your Customers' Needs, and Build On Them

When I visit a landscape contractor, I often make sure we invite their clients for lunch. When looking for ways to better manage and grow your business, you can't beat hearing from your customers.

For example, I facilitated a customer focus group for a client in the Midwest. We had commercial clients, condo association clients and homeowners. Here is what the clients told us they value:

- Quick and effortless communication, which includes the contractor having a BlackBerry or other smartphone

- When they reach out, they love that the owner or account executive reacts quickly
- When mistakes happen,

they are kept to a minimum and handled immediately

- Honesty, where the contractor acts like a consultant and helps the client make decisions that are in the client's best interest
- Expertise during the sales process, when the salesperson knows what he is talking about and shares ideas to make immediate improvements
- Lastly, they value, well, value; in this case you have to manage expectations—this is not about having the lowest price

Keep in mind that you likely have multiple client groups to focus on. It often helps to build a culture around the most demanding clientele.

### 5 Wow Your Most Demanding Clients, and the Rest Will Follow

When I spend time with very wealthy homeowners, I am constantly surprised at how they value some of the most basic characteristics:

- Do you look professional, approachable, trustworthy and competent? I find that the wealthier the client, the

more important professionalism is. If you want to get the attention of someone responsible for managing commercial sites, this is also very important. Professional appearance includes the basics such as clean, neat trucks.

Professional uniforms include the pants, shirts, hats and outer clothing (like UPS guys wear).

- Are you impressive in the first meeting? Do you put on a good show, have a lot of knowledge, and have clear standards that you operate by?
- Is your staff polite? Do you use polite language? Do you look the customer in the eye? Do you respect their time, making it a point to call if you are going to be even four minutes late, for instance?

Why go to all this effort of providing killer customer service? Because clients who receive killer customer service will shop you around less, and brag about you more. Clients who are wowed by you are more willing to pay your margins. ◀



Jeffrey Scott is an author, speaker and Green Industry business consultant. He facilitates peer groups for landscape professionals who want to transform and profitably grow their businesses. To learn how owners are raising their profits in this economy, visit [GetTheLeadersEdge.com](http://GetTheLeadersEdge.com).

# MAXIMIZE Your Sales Potential

**Y**ou can start growing your residential maintenance and/or lawn care business when you stop ignoring these four critical marketing considerations, says Mike Dauer of Real Green Systems.

## 1 Identify Your Budget Early

Quickly identifying how much you are capable of spending on a direct marketing effort will allow the other pieces to fall into place much more seamlessly.

Start with an amount equal to 8-12% of your total annual sales from the previous year. This is the amount many successful lawn care operators spend on their total marketing efforts each year, Dauer says.

Next, determine how much you're going to need to spend on other components of your

## 2 Identify Your Strongest Locations

“Generate a report that shows you how many customers you already have—by zip code,” Dauer advises. “This is not guesswork. You must run a report to get the exact information you need.”

Building route density is a highly effective strategy for lawn care operators, which is why this information is important. “It makes sense to focus on those areas where you already have a lot of customers,” Dauer points out. “Half of the contractors I’ve worked with couldn’t tell me their top five zip codes. Don’t be one of those contractors.”

## 3 Analyze The Housing Market

Are home values going up or down in your area? This is important because, in a

homeowners who are still willing to pay for a lawn care contractor. On the other hand, people who’ve built new homes in the past few years are often strapped to their homes and don’t have the disposable income for lawn care.”

## 4 Weed-Out Bad Leads

Once you’ve identified your strong zip codes and areas you want to market to, you can ask your list provider to give you a mailing count. But your work is still not done.

“Ask the data provider if they can break the list down by home value,” Dauer says. “How about lot size? You need to weed-out the homes that don’t fit your target customer profile before investing a lot of money in a huge list.”

Be on the lookout for foreclosed homes. When you mail to a vacant home, you’re wasting

“Generate a report that shows you how many customers you already have—by zip code. This is not guesswork. You must run a report to get the exact information you need.”


marketing campaign. These could include yard signs, door hangers, phone book ads, paid online listings, your own website, etc. Total this amount and subtract it from the number you came up with in the above paragraph. This will give you the amount you should have available for a direct marketing effort.

depressed real estate market, the owners of newer, more expensive homes might not be the hot prospects you think they are.

“You might be better off targeting older, more established homes and neighborhoods,” Dauer says. “In the past two years, I’ve found that the more established areas (homes built in the 1970s to 1990s) have

money. You also want to be able to weed-out renters, who obviously aren’t in a position to hire a contractor.

“You have to double-check any list before you buy it and market to it; that’s the bottom line,” Dauer says. It’s typically free to do an assessment before buying a huge list—so it’s really up to you. ◀



# HOW TO Raise Employee Morale

First you must eliminate things that de-motivate, and follow that up by addressing any issues related to compensation.

In the midst of employee layoffs and pay freezes, many employees are in a tense and dispirited mood. During the earlier months of the downturn, employee productivity increased higher than at any time in the last decade. But now employees are starting to face burnout.

Recent surveys indicate that almost 30% of layoff survivors are considering leaving their current employer when the economic recovery picks up. Among your key positions and top performers, you may soon be facing labor shortages. What can you do now to encourage, motivate and show a little appreciation for your employees?

## Remove the De-motivators

**Remove any atmosphere of distrust.** If you secretly feel that employees are basically lazy and untrustworthy, those feelings will show. If you're not happy with the performance of your employees, you are identifying a management problem more than an employee problem.

Understand and recognize that employees are also your customers. Also understand that each employee is an individual and thinks like one. You can't survive without these folks.

**Stop having low expectations.** Ski Giczewski, president and owner of Designs Scapes of

Sarasota, FL, attributes much of the high performance of his award-winning team to his management style. "I have high expectations of our people, I expect superior performance, and I find that you will usually get what you expect," Giczewski says.

**Remove the demanding and restrictive rules and policies.** Companies with 20 employees and a 100-page employee handbook full of small print and legal jargon create a wall between the company and their employees. Keep rules and policies to a minimum and make them reasonable and easy to understand.



mal, dirty or unpleasant workplace makes people feel dismal, dirty and unpleasant. Prisons are designed to be harsh, and colorless, made of concrete and steel, full of lifeless sounds and sights. That's because they want from their prisoners just the opposite of what you want from your employees. They want intimidation, obedience and no action.

either by making the proper adjustment or by letting them know why this is not possible or when it will be resolved.

Is the employee (or all employees) currently being underpaid? Are they actually at a competitive pay rate already, or even above it? Let them know. Can you issue bonuses instead of pay increases? Whether through explanation

Recent surveys indicate that almost 30% of layoff survivors are considering leaving their current employer when the economic recovery picks up. What can you do now to encourage, motivate and show a little appreciation for your employees?

You want trust, self-starters and productivity. Brightness, color and attractive are the words for your workplace.

**Eliminate problems before they fester.** Respond to complaints and resolve problems—and don't wait them out hoping they'll go away. Be fair and ethical. Employees long remember ignored complaints or unresolved problems. Unions do not organize companies by promising higher wages. They organize companies by seeking out and listening to problems that are not being resolved.

### Resolve Concerns About Pay

Money is not even in the top five things employees want in a job, but it needs to be addressed before anything else can be effective. If employees feel underpaid, this must be resolved

and understanding or by agreeing to a time when this can be resolved, the pay issue must first be dealt with.

### Alternatives to Pay

Once the pay issue has been dealt with, you can focus on the things employees really want—things that encourage them to stay with a company, even when the pay is better elsewhere.

**More control over their work.** Good employees desire the freedom to make decisions, less tight supervisions, and the freedom to set schedules or exercise some element of control over their work.

**Belonging to the in-crowd.** Good employees want to be in the flow of communication and have some input into the goings-on at the company. Provide company group meetings, breakfasts, lunches, pizza gatherings, etc.

*continued on page 25 >*

Check the wording for respectful terminology. These are not naughty children or inmates to be dominated.

**Stop the inner sanctum of secrecy.** Communicate, communicate and communicate. Let employees know what is happening in the company. Any new products or services being planned? What's happening now that may affect them next week? Do you have a newsletter? E-mail and the Internet make it much easier to communicate these days. Make every employee and insider.

**Clean the place up.** A dis-

## Cost-Effective Perks That Work

### Wellness Programs

Any form of fitness, smoking cessation or stress reduction program can significantly improve employee health and well-being. This can be a highly organized and professional system, or simply one that is conducted by employees.

### Company Discounts

Letting employees buy company products or services at discount, even if it's just one major item or an employee purchase day, can be a great benefit. Bring in a supplier/vendor who will offer significant discounts or purchase plans.

### Discount Clubs

Companies previously leveraged the group buying power of their employees to enroll them into buying clubs that offered big mail order catalog discounts. Many companies still do, but membership cards in warehouse clubs like Costco or Sam's Club are becoming more popular. In some cases, the company even gets a rebate on the total volume, which they raffle off or use to host a company party.

### Direct Deposit

Give employees the option of having their paychecks directly deposited at any bank or credit union that is a member of the Automated Clearing House (ACH). One big advantage, besides improving their credit standing, is that the money is immediately available to them without three-day waiting periods or fees. Some banks can issue ATM cards for paychecks.

### Business Cards and Titles

It may seem trivial, but business cards with the employee's name and title carry an emotional appeal to people. There is a level of professionalism and pride that comes from a business card with the company's logo. This works for hourly people, too.

### Computer Loan with No Interest

Many employees would value the opportunity to buy a laptop or desktop computer. Determine the dollar limit or the loan that you will provide. Set up an automatic payroll deduction. Assure that a formal agreement is signed

and adhere to the payroll deduction laws in your state.

### Instant Recognition Rewards

Recognize employees for doing something extra, completing a tough job ahead of schedule or assisting someone. This can be done in the form of a ticket for a free pizza, DVD rental, \$5 fast food coupon, two movie tickets, a coupon for two free dinners at a sit-down/server restaurant, \$25 Amazon gift certificate, and so forth. Can you award an employee with extra time off? Can you do that for everyone?

Goodies, gimmicks and gala events are the frosting, not the cake. Such perks aren't the solution to improving morale, but they have a place in the well-motivated workforce. Avoid approaching these ideas with cynicism or disdain that they are just another HR feel-good program. These are standard fare in the most successful companies in the world. Good managers know that it's the little things that matter—and every little thing matters.



Build up a team atmosphere and pay attention to every individual on the team.

**Opportunity for growth and development.** Provide additional training, cross training opportunities and special projects; establish career paths for employees with potential.

**Leadership, counseling.** Let employees know that someone in charge is aware of who they are and is concerned about their welfare and development.

**Recognition for performance.** People want recognition for their individual performance. That includes poor performance. Good employees want to know how to improve, especially if you can tell them in a positive, non-disciplinary manner.

**A conscious focus on the individual.** It's about individual performance, recognition, guidance and concern. An employee who is improving is more likely to be a better employee who will stay with the company longer.

**Lighten up.** It can't be all about shoulder to the wheel, nose to the grindstone. Allow employees to take an unscheduled break and introduce a little humor into the workplace.

Finally, don't be afraid to bring employees together. Tell them that you're interested in improving morale and ask them what you can do together to make it happen. Emphasize the "together" part. Discussing this with your employees can result in better ideas. The best benefits are those your people

like. And they'll like them even more if they participate in their creation. ◀

Bill Cook is PLANET's HR Consultant. His HR Hotline is a full-time service available for all PLANET members to discuss employment-related problems and issues.

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By Gregg Wartgow

# 'Every 1 Counts'

**At Senske Lawn & Tree Care, focusing on every single customer, employee, and opportunity to remove waste has this Pacific Northwestern company on a path to higher profits.**

Maintenance business has been growing for Senske Lawn & Tree Care. "We're in a good position to service commercial clients like retail chains and banks with multiple branches," Chris Senske says.

**S**enske Lawn & Tree Care saw the 2009 recession coming a mile away. By taking proactive steps to sharpen operations, improve sales/marketing efforts and create a culture of accountability, this \$20 million company made '09 its most profitable year ever—despite a recession-triggered sales decrease.

Now the company is back to growing again. "We have launched an aggressive management training and recruiting process to bring talented people into

our organization," says president Chris Senske.

Senske operates seven branches in three states: Washington (Spokane, Yakima, Kennewick), Idaho (Boise, Coeur D'Alene), Utah (Salt Lake City, Ogden). The markets of Boise and Salt Lake City had already begun showing signs of softening in 2007 before completely tanking in 2008.

"We knew we needed to get sharper in all of our processes

so we didn't take such a big financial hit during the recession," Senske says. "In late-2007 we began the 52-week Working Smarter Training Challenge from JP Horizons. By working on lean management throughout the company, the Senske team is finding ways to work smarter and more efficiently."

### Getting Crews Out Sooner

The first big area the company tackled was getting crews out on



the road faster in the morning. “Right off the bat we saved a ton of non-productive time,” Senske relates. “It used to take well over an hour to get a crew going, but now that’s down to a half hour. Crews also get to that first job much earlier. So we’re saving a lot on overtime, and typically can get another job or two done each day.”

“Awareness was the first step to improving this,” says Tom Perkes, corporate and marketing communications manager. “(Lawn) technicians are good people who want to do the best job possible. Making them aware of the potential cost-savings was all that was needed to get them to make improvements on their own.”

“Creating a routine came second,” Perkes continues. “Before standard work was created, our technicians all did things differently. This caused confusion, and in many cases a doubling of efforts.”

“Ending the day is also very important. We often created obstacles for our morning routine by finishing the previous day inefficiently. When we created an end-of-day routine, we added several steps that would make the mornings a lot easier. At first

we were worried about shifting our morning time to the afternoon, but doing so has actually helped us reduce downtime in both areas.”

### Cut Marketing That Doesn't Work

Customer communication and sales/marketing efforts have also been a focal point of the past couple of years. “We’ve been pushing very hard to communicate with our customers any way we can,” Senske tells.

“Our motto is ‘Every 1 Counts’, which means that every customer, dollar and employee are important. We are trying to spoil our customers with great service, great service calls, and by asking them how we are doing every step of the way. Online surveys after service calls and emails requesting feedback are part of improving communication.”

Phone book advertising has also undergone the test of lean management and working smarter. Senske Lawn & Tree Care began using a different phone number for each book, learning valuable lessons about where leads were really coming from. “We removed ourselves from three books because the cost per lead was upwards of \$380, which was an unacceptable ROI,” Perkes says. “Doing that is saving us more than \$30,000 per year.”

The actual marketing message Senske Lawn & Tree Care is using has not changed, because it has worked for years. “We create a fun, safe place to work and play—something people can take pride in,” Senske points out.

### Back to Growing

The Senske management team

has also worked hard to create a fun, safe place for employees to work—and take pride in. “The No. 1 key to our growth and expansion over the years has been the ability to hire great people with the same commitment to quality service that we have,” Senske says.

Making sure employees get the recognition they deserve for a job well-done has also been key. “Accountability is the new buzzword around our business,” Senske says. “We want to help employees establish goals, and then evaluate how they are doing along the way.”

Senske Lawn & Tree Care experienced normal customer retention last year, but the acquisition of new customers has still been a bit soft. “We’re holding our own, but it’s not strong growth yet,” Senske relates. “As the economy stabilizes and consumers get their feet back under them, I expect lawn care to continue being a growing, profitable business.”

Landscape maintenance services are also starting to grow. Senske Lawn & Tree Care expects a much more significant contribution from both tree pruning and tree pest management going forward as the company places more internal focus on this area of the business.

“I can’t over-emphasize how important commitment is to making growth happen,” Senske says. “Expansion and continued growth is simply the result of a plan to grow. Then, sacrifice, not being afraid of some hard work, and the willingness to try new things are incredibly important to a growth culture.” ◀

By Gregg Wartgow

# SURVIVAL MODE

As the Detroit area has finally begun showing signs of economic recovery, Bryan Buero of Trio Outdoor Maintenance hopes that his decision to target new customers with new services was enough to help his company hang on.

Operating in the highly depressed Detroit area, Trio Outdoor Maintenance in Mount Clemens, MI, took a loss in 2007. On a positive note, the amount of business coming from commercial accounts had shifted from 50% to just over 60%, which is right where Buero likes to see it. But on the flipside, residential business was getting harder to retain—at least the type Trio Outdoor Maintenance had been pursuing.

## Targeting the Right Residential

“We had to change our demographics in terms of household income,” Buero tells. “Over the years, we’d gotten a lot of work from the \$45-\$50k income bracket. But when the economy slipped, this market tightened up big time. So in 2008 we started putting a plan together to go after the \$65-\$70k bracket.”

The plan was initiated in 2009, which included some obvious tweaks to the direct marketing effort in terms of households targeted. Additionally, Trio Outdoor Maintenance amped up the spotlight on its refined value proposition.

“We wanted to offer more of

a personalized service, providing pretty much anything a customer could ask us to do,” Buero relates. The strategy has worked, and Trio’s residential business is growing again.

“Offering more services on a property has allowed us to really shine in the way of customer service,” Buero points out. “Referrals are now coming in faster than ever. If you want to grow your residential business on referrals, you need customers who give you the opportunity to provide great service—and appreciate it when you do.”

Offering more services on a property has also allowed Trio Outdoor Maintenance to drive revenue, as opposed to just their maintenance truck. “Our drive time has really gone down,” Buero says. “When we drive to a property, we’re spending more time there and billing more hours. So we’re not only increasing sales, but also profits. That makes me feel a lot more comfortable.”

## Empowering the Team to Step Up

Buero is also a lot more comfortable with his team—largely due to changes he has made, not just his employees.



**Bryan Buero prefers to be in the field, but is learning how to balance that with the need to manage his growing business.**

“When we shifted our focus to the higher-income homeowners, I knew that the caliber of my employees had to change,” Buero says. “I got involved in the Michigan Green Industry Association (MGIA), PLANET and TCIA. I enrolled in a couple of landscape design courses at Macomb Community College.

“Then I took myself out of the office and went back into the field to train my guys,” Buero continues. “Certain employees have certain skills, and I couldn’t see that sitting back in my office. I needed to





“If you want to grow your residential business on referrals, you need customers who give you the opportunity to provide great service—and appreciate it when you do.”

– Bryan Buero

## Focus On Tree Care



Trio Outdoor Maintenance had provided tree care services for more than 20 years, but when the bottom fell out of the landscape installation and hardscape business recently, Bryan Buero got a lot more serious about it.

"We'd never really pushed our tree division," Buero says. "If it showed up on a job sheet, we did it."

That's not the case any longer. Trio Outdoor Maintenance is a member of TCIA, and tree care services now represent 25% of the company's total revenue.

get out there to see what was going on. We've really created an educational component to our company, and it's helped tremendously."

Catering to a more affluent clientele has forced the Trio team to really step up its game. Buero says that, traditionally, the higher-income homeowner didn't pay much attention to what his landscape maintenance provider was doing. "Nowadays," Buero says, "these customers spend a lot more time at home, and pay really close attention to what is and isn't getting done. I need my employees to be able to talk with customers and provide educated answers."

Providing talented employees with the training and motivation to excel was an important step in getting Trio Outdoor Maintenance back on track. Buero has also made a con-

certed effort to change the way employees view their jobs. "It took some time, but I finally got the point across that I do not pay my employees—our customers pay them," Buero says.

### Appealing to Today's Consumers

Even though the company's new focus on higher-end consumers has helped kick-start referrals, Buero still feels strongly that, in today's market, you have to actively look for new customers. "Consumers are more educated today; they know what they want before you show up to give them an estimate," Buero says. "You have six seconds to tell them what they want to hear."

As an owner in the field, Buero now "takes his office with him" to accommodate today's consumers. He purchased a

smartphone so he could have unlimited Internet access.

From there he got involved with GoToMyPC so he could access files on his computer back at the office.

"Customers really like that," Buero says, adding that it's a lot less expensive than paying office staff to look all of that information up for him. "Now I have just one administrative person who handles all of the hard paperwork. And she's working off of much more accurate information because she's getting it directly from me in the field."

"In the field" is where Bryan Buero prefers to be, and it's where his customers and employees gain the most from him. This strategy has helped his company earn a second chance, and Trio Outdoor Maintenance plans to make the most of it.

Through August of last year, total sales were already at 2009 year-end levels; tree care was up 12%, landscape maintenance up 8%, lawn care up 3%. From August through December, maintenance remained steady while lawn care continued to increase. Tree care revenue dipped a bit.

Also in late-2010, Trio Outdoor Maintenance won a Gold Level Award from PLANET's annual Safety Recognition Awards Program. "This year we have plans to continue our growth trend by hiring a salesperson," Buero says. "I also plan to obtain the designation of CLP (now known as Landscape Industry Certified Manager) through PLANET, in addition to becoming an ISA Certified Arborist." ◀



*Brandon Phillipie  
Bland Landscaping  
Weston Parkway, Cary, NC*

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