



STATE OF THE GREEN INDUSTRY

*Demand Good, Labor and Supply
Chains Continue to Falter Into 2022*



INTRODUCTION

DEMAND GOOD, *Labor and Supply Chains Continue to Falter Into* 2022

Despite issues, the landscape industry is 'open for business' as many homeowners rethink and prioritize their outdoor space.

BY JON MINNICK 

Heading into 2021, landscapers were optimistic. The industry worked hard in 2020 to become labeled “essential” and things started to look promising. Approaching the second half of 2021, it seemed like the economy and daily life would start to fall back into place. But then the variants started showing up — not just of COVID-19, but the Great Resignation and deeper supply chain issues — creating havoc throughout the end of the year.

In a recent reader survey respondents were asked how they felt about the landscape industry overall going into 2022. “Positive on [the] demand for services,” says Andy Sykes, CLP, PCH, owner of Garrett Churchill in Willow Grove, Pennsylvania. “Supply chain issues are across the board with every industry, so that has become a common expectation. Labor continues to be a struggle with no end in sight.”

While labor is a persistent issue that will continue to be prevalent in 2022, lingering pandemic-related supply chain problems will widely affect everything from project materials to equipment availability. With individuals and companies ramping up work-from-home purchases for safety precautions and remote offices, they ate up any pre-pandemic warehouse

surpluses and overwhelmed manufacturers as factories closed with no workers, leading to equipment and material shortages across many industries. Additionally, green professionals will need to deal with inflation costs in a way that allows them to keep their business going and growing but doesn't alienate much of their clients in the process.

The good news is the pandemic is causing homeowners and commercial companies to rethink their yards and campuses. Homeowners see their outdoor space as a new sanctuary that gets them out of the house, and they are willing to use professionals for maintenance and major upgrades. As commercial properties rethink the indoor office space, they're putting some attention on the outdoor campus to encourage staff to get away from their desks and safely interact.

To get a sense of what the industry looks like as it mows into 2022, we reached out to experts in the industry to get their perspective on what is happening now.

ASSESSMENT OF THE LANDSCAPING INDUSTRY

Q: What is your assessment of the landscaping industry heading into 2022?
What are you optimistic about? What will be some of the biggest challenges?

Britt Wood, CEO, National Association of Landscape Professionals (NALP):

Landscape and lawn care companies have weathered and, in most cases, thrived through the immense challenges of the last few years.

We are optimistic that the demand for our industry's services will continue to be strong for both commercial and residential services in 2022. But, pressures from continuing supply chain issues and low unemployment will be challenging in the coming year. However, we continue to work to increase the number of seasonal workers allowed through the H-2B program and have reason to be optimistic that we will have a larger supplemental pool of H-2B visas this year and earlier in the season.



Kris Kiser, CEO and president, Outdoor Power Equipment Institute (OPEI):

The industry is moving into 2022 with a real head of steam. Coming off of COVID-19, the industry saw an uptick as homeowners reconnected to the outdoors and recognized their living landscape as a safe space. That certainly translated into investments in their landscapes, hardscapes and pools. We think that reconnection is real, and looking at market sales, we think it's here to stay. But an increase in business, combined with ongoing supply chain impacts from the pandemic, mean contractors are facing challenges in availability of labor as well as reliable materials — including engine product, hardscape supplies and parts.



Harold Redman, SVP, President of Turf & Consumer Products Group, Briggs & Stratton:

The overall health of the landscape industry remains encouraging. I'm optimistic that the market for commercial cutting and landscaper services will continue to grow as residential homeowners and commercial businesses continue to see the value of the services provided. I'm also optimistic that some of the challenges we've been experiencing for the past two years will start to correct and show improvement for the latter half of 2022 and beyond.



From a market perspective, one factor that drives industry growth is the continued strength of the housing market. More people purchasing and owning homes with yards create great opportunities for landscapers, as a healthy percentage of these homeowners turn to professionals for major landscaping jobs or routine mowing and maintenance.

Joe Raboine, director of residential hardscapes, Belgard:

Outdoor living has continued trending upward in 2021, and we expect that to be the case in the new year — ask any contractor, and they are likely booked well into 2022. Homeowners have shifted their thinking about outdoor living in general, prioritizing it to take advantage of health and well-being benefits of spending time outside. People are understanding these spaces are a respite from the craziness of the world, and if our profession can recognize this trend, we will create spaces that are great not just for entertaining, but that foster nurturing and



ASSESSMENT OF THE LANDSCAPING INDUSTRY

relaxation. I think the biggest challenges are labor and supply chain issues. The industry has had difficulty attracting qualified workers over the past few years, which may get more difficult in the current job market. The supply chain issues are predicted to continue, but outdoor living professionals can stay ahead of the curve by communicating with clients up front about expectations and product availability.

That said, the challenges we're experiencing have been significant and are not limited to our industry. Key factors that manufacturers and businesses have been managing over the last 18 months include labor shortages to produce products or provide services, delays in shipping products due to supply chain issues, and managing inflationary costs through the supply chain to the end customers.

Brant Kukuk, compact equipment product manager, Ditch Witch:

The landscape industry is in a positive place. Demand for new projects has been very strong for many landscapers over the past year and that trend looks to continue into 2022. Manufacturers are seeing orders for machines continually grow, suggesting that landscapers are profitable, busy and looking to expand their operations. As many landscapers deal with the ramifications of the labor shortage, they are increasingly looking for more powerful, versatile machines that can support smaller crew sizes.



Sean McCormick, CEO and Jay Worth, marketing manager, SingleOps:

Heading into 2022, the industry is still in a very strong position. Outside investment in the industry continues to climb, and consumers continue to demand our services. We're optimistic that these trends will continue, and that our industry will continue to strengthen its position in the economy at large.



There are apparent issues — supply-chain snags, labor shortage, etc. The challenges don't lie in those problems themselves. The main challenges for our industry will be our ability to approach these challenges with a truly creative mindset and thrive in the face of these issues. If we can't come up with holistic solutions for staffing and supply, we'll really be in dire straits.

Joe Haynes, president, Little Beaver:

The last two years have shown record growth in the landscape market. As more people were stuck at home for extended periods of time, they tried to create their own escape in their home, making it a retreat in the time of lock downs. Contractors and supplies quickly became backlogged so we feel there will be plenty of work to carry over into 2022. Inflation is certainly going to be a challenge, as will getting the equipment and supplies needed to complete these projects. But we believe there is plenty of opportunity for anyone poised to act.



ASSESSMENT OF THE LANDSCAPING INDUSTRY

Stephen Chen, CEO,

URSrobot: At its core, the landscape industry is a service business. We cater to the needs of people and nature, which is an ongoing need, with technology and knowledge. We are very optimistic about the pivots that create opportunities. Clean energy, robotics and business models are changing to overcome challenges and ultimately strengthen our industry. Education and collaboration will bind our community, leading to new ways to serve and deliver on key landscaping solutions.



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Stephen Chen, CEO, **URSrobot**

THE PANDEMIC'S INFLUENCE ON THE GREEN INDUSTRY

Q: How has the pandemic affected the industry in 2021?

Belgard: Being indoors for most of 2020 and into 2021 has shifted the focus of outdoor living from entertaining to functionality — and brought a need for connecting with the outdoors and each other to the forefront. It's important for industry professionals to understand how expectations and needs have changed so they can be ready to accommodate the customer. Notably, spending on home renovations **increased by 15%** this year according to Houzz Research.

NALP: Industry companies rebounded quickly from the initial uncertainty and restrictions of the pandemic. 2020 was a year of uncertainty, especially in the spring as companies figured out how to work through the pandemic. But by 2021, industry companies were in a groove, having adjusted their operations, while the demand for landscape and lawn care services was very high. High demand plus pandemic-related supply-chain and workforce shortages created opportunities but also brought challenges for company owners to find a way to meet the demand with more limited resources.

URSrobot: The impact has been felt on supply chains, product shortages, labor shortages and churn. Perhaps some folks have left the industry and less are entering. This blend causes both pain and opportunity. For some the pandemic has resulted in a renewed vision of how to run the business, communicate and manage — fueled by courageous leadership and perseverance — and adoption of new technology.

Briggs & Stratton: Certainly, the pandemic has heightened industry demand for power equipment, thus challenging manufacturers to provide enough residential and commercial equipment to satisfy new customers. The supply chain delays have created the biggest impact, based on shortages of available labor to produce components and end products to fulfill high demand. Landscapers have experienced prolonged wait times for equipment as manufacturers simply couldn't fulfill orders fast enough. It started in 2020 with businesses being impacted based on essential/non-essential status, and then continued into 2021 as demand increased which placed additional pressure on manufacturers to deliver more products.

How readers predict their 2022 revenue outcome vs 2021:

52%

Up

08%

Down

40%

About the Same

THE PANDEMIC'S INFLUENCE ON THE GREEN INDUSTRY

SingleOps: In 2021, we saw a continuation of the tremendous growth that we experienced as an industry in 2020. If anything, we saw that demand began to outpace our industry's ability to deliver for customers. There have been some companies who have really knocked it out of the park with creative workarounds for backlogs, or just basic communication with customers. They'll continue to do well in 2022.

OPEI: Quite simply, the industry excelled. Throughout the pandemic, we have seen an increase in "backyarding" — people shifting more of their lives outside, and realizing their yards, parks, and other outdoor spaces are necessary for both their physical and mental well-being. Those connected to improving outdoor spaces for people and their pets saw significant spikes in demand, and we see that continuing into 2022.

Ditch Witch: Despite the difficulties of the pandemic, the landscape industry has remained strong. In some cases, the pandemic led people to reprioritize home renovation and landscape work. Especially with the restrictions on travel and rise of remote work, more homeowners have been able to find room in their budget for these home projects and that has contributed to the strength of the industry.



THE BUSINESS OPPORTUNITIES OF 2022

Q: Have the challenges of the pandemic created any business opportunities for landscape contractors? If so, what are those opportunities?

OPEI: Landscapers have really been working with homeowners to tailor their outdoor spaces as a true extension of their home. Those spaces have needed to become classrooms, offices, play spaces, campgrounds — sometimes all at once — as “backyarding” becomes more and more common. Landscapers have helped homeowners customize those spaces to be purposeful for their customers.

SingleOps: Savvy landscapers did a few things very well and came out ahead over the last two years. One, they positioned themselves to deliver an exceptional experience that was different from the traditional landscape sales process. Companies that embraced digital solutions for estimating and proposing work benefited greatly here.

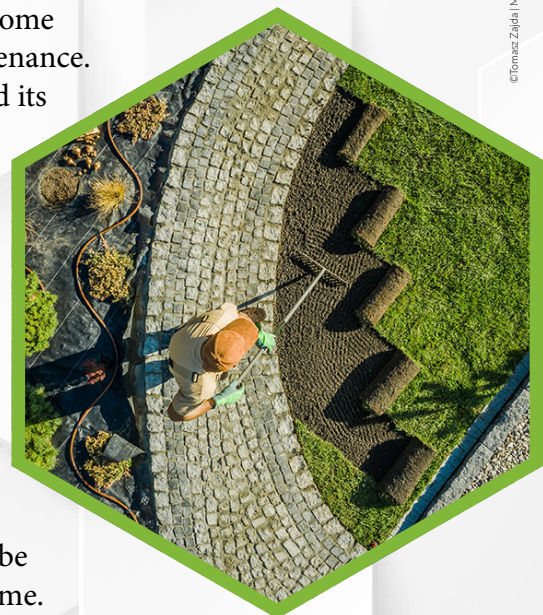
The second thing smart companies have done was to ramp up their marketing efforts. The tea leaves are indicating that the economy will return to pre-pandemic spending levels for our industry in the near future, and those that took advantage of massive demand to fine-tune their messaging efforts will come out on the other side of the pandemic in an extremely strong position.

NALP: The pandemic initiated a new appreciation of people’s backyards and green spaces. As a result, there continues to be a boom in landscape upgrades, residential lawn care services and large-scale design and installation projects.

On the commercial side, properties have added amenities for workers and upgraded landscapes to make facilities attractive for sale. All of which provided opportunities for upselling and add-on services for commercial and residential contractors.

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URSrobot: The business and home market will always need maintenance. The delivery of services has had its challenges, yet the demand for them remains. This is key, as it leads to new ways of “how”. Skilled labor shortages, increased cost of labor and supply chain can be offset by efficiency and in some cases a new service price and mechanism. The entire circle of supply has to be re-visited to confirm what works and what new ways can be implemented. It’s an exciting time.



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THE BUSINESS OPPORTUNITIES OF 2022

Is the struggling labor market an issue for your company?

39% Yes, I can't find enough help to meet today's demands

27% Yes, I can't find enough help to grow my business

32% No, staffing is just right

2% No, I have more applicants than open positions

Little Beaver: We've seen an increase in demand for our products during and since the pandemic as contractors have had additional opportunities due to the growth in demand for improvements to outdoor living and recreation spaces.

The attachments and accessories we offer allow our earth drills to be converted into multi-use tools. Contractors can use our products for a variety of applications such as anchoring, fencing, soil sampling and horizontal boring, to provide the versatility they need to take on additional jobs. Contractors can see increased ROI by minimizing the expense that often comes with purchasing a different tool for every application.

Belgard: The biggest opportunity, from my perspective, is gaining a better understanding of the customer. They are no longer looking to add a new patio or landscaping upgrade solely for dinner parties or curb appeal — they want outdoor spaces to be a true extension of their homes. More homeowners see the value in outdoor spaces as it meets the need to connect to nature and supports a balanced lifestyle. This opens up more possibilities from a design perspective and allows outdoor professionals to sell in more elements that can make the space complete — like lighting, sound, water features and more.

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Joe Raboine, director of residential hardscapes, **Belgard**



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ADVICE FOR NEW LANDSCAPE CONTRACTORS

Q: If someone was considering working for the landscape industry, what advice would you give that person?

Briggs & Stratton: Focusing on a few key high-level questions often creates the right template for success. What is the opportunity with the target customers in a location or region? What services could you provide that attract the greatest number of customers, or provide the most attractive profits? What investment is required in equipment, resources, and people? How do you differentiate your business and services from the competition? Do you have a solid financial model for launching your business plan along with the ability to measure your progress and success? What variables within the business can you control or not control that may have a significant impact? Are there incentives to assist you in starting a business?

Belgard: Focus on understanding the needs and lifestyles of your customers. Customers are the priority in this business, and you want to deliver on their expectations — so you can turn them into a repeat customer when they want to build additional projects. Also continue investing in yourself through training programs, courses and conferences so you can stay up-to-date on the latest tools and methodologies.

Ditch Witch: The best first step for any prospective landscaper is to reach out to their local equipment dealer and begin a relationship. Not only do local dealers understand the equipment that a landscaper would need, but they have years

of experience working in the region. A local dealer can be a vital resource for questions surrounding jobsite conditions, local regulations and equipment needs.

NALP: The industry has such a wide variety of positions available that it is an excellent fit for people who love nature and the outdoors; have an entrepreneurial spirit; want to solve business or operational challenges; or people who love design, sales or finance. We continue to promote industry careers through our workforce development programs, our National Collegiate Landscape Competition and Career Fair and our marketing outreach. People who are curious about careers in the industry should visit www.landscapindustrycareers.org to learn about the various career paths and peruse the job board to find positions available across the country.

SingleOps: This is one of the best industries in the country (and the world) to be working. It's one of the very few spaces where people can put their heads down, grind, ask lots of questions, learn a lot and move up quickly. It's a place where the people are just amazingly supportive and incredible to work with, and a place where you can literally make a difference for good in the world around you.

URSrobot: Learning through the experience of others is a great teacher. Humility, hard work and a smile go a long way. So do new ideas — like robotics. Our industry has great examples of

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Harold Redman, SVP,
President of Turf &
Consumer Products Group,
Briggs & Stratton

ADVICE FOR NEW LANDSCAPE CONTRACTORS

successful family businesses that adapt to what's new and rely on strong bonds. As new ways of communication, technology and business models change a servant heart and a willingness to go the extra mile is the enduring legacy of this industry.

Little Beaver: The equipment you select is crucial to your success in the landscape industry. It's important to find tools that can efficiently optimize the size of your crew while allowing you to take on more work at the same time. In addition to our earth drills, [our] mini-trencher is a great example of a versatile product that can be used to install everything from residential lawn sprinkler systems and electric dog fences to landscape edging and silt fencing. With products like these, contractors can optimize efficiency without a large crew.

OPEI: The best place to learn more about this industry is Equip Exposition. The industry's tradeshow (formerly known as GIE+EXPO) is being rebranded, retooled and relaunched in 2022. It's where landscape contractors can see and test out the newest technology and products in the business and connect with their colleagues from across the country. We recently wrapped another successful show with nearly 25,000 attendees; and plans are underway for an even better experience this fall. Plan to join us at Equip Exposition 2022 in Louisville, Kentucky, October 18-21.



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Britt Wood, CEO, National Association of Landscape Professionals (NALP)

2022 PRODUCT TRENDS

Q: What product trends do you expect to continue in 2022?

SingleOps: Likely, there will continue to be demand for outdoor living space projects. We often hear the phrase that “the home project is the new vacation” and this should continue as we see new COVID variants. I think the volume of inquiries will ultimately trend down from 2020-2021 levels, but people have realized the value of their outdoor spaces being just as important and comfortable as their indoor spaces. I would expect outdoor kitchens, fire pits, pergolas, knee walls and patios to all see strong performance in 2022.

Belgard: Larger pavers, as they have more surface area and allow you to install an increased amount of square footage quickly and efficiently. Large format expansion with narrow joints simplifies installation and also offers the clean, modern aesthetic that is popular among today’s homeowner.

Modular, geometric standard patterns in pavers also have continued to gain popularity. The clean lines again fit well with the trend of modern design, and the modular format eases the installation process.

We also see more demand for accessory products. Belgard is introducing the Elements line of accessory products, which includes stainless steel grill islands, kitchen and bar accessories, storage and more. These products align with the need for functionality and the desire to have multi-room outdoor spaces.

Ditch Witch: A product trend that will continue in 2022 is the importance of machine versatility. The ability to take on a variety of tasks with one machine will allow landscapers to improve their ROI, reduce costs associated with transporting multiple machines to a jobsite and eliminate needless jobsite clutter. This need for versatility has particularly driven the popularity of stand-on skid steers and their various attachments. While traditional attachments such as forks, trenchers and buckets will remain popular, newer attachments such as tree grapples and backhoes look to grow in use in 2022.

Little Beaver: We expect the high demand for our products to continue in 2022, along with some supply limitations. Landscape contractors should consider ordering ahead of time and work with their manufacturer to understand lead times on the products they need.



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2022 PRODUCT TRENDS

OPEI: Landscapers can certainly expect continued evolution in battery/electric equipment. Larger and larger pieces of equipment with more significant runtime are entering the market, mirroring what we saw on the consumer side. We're seeing more commercial-grade handheld equipment transitions, as well as on the wheeled goods side, including commercial walk-behinds and heavier-grade consumer units. Manufacturers are also introducing new products on the engine side, improving fuel efficiency and emissions, including fuel injection and increased use of propane.

NALP: We expect to see continued improvements and developments in electric-powered, robotic, and autonomous mowers, batteries and equipment in 2022. As that equipment becomes more effective and durable for large-scale commercial use, we expect to see higher adoption from industry companies.

In December 2021, readers were asked "How do you feel about the landscape industry overall going into 2022?" Here is a sampling of their comments.

"Due to the high demand for services in the landscape industry, the opportunity to grow in 2022 is a very real possibility, provided we can hire and/or train enough technicians and office staff to maintain the high quality of services we're known for."

– **Melissa Wolf, Virginia**

"Excited... with more people working out of their homes, they will spend more time and money beautifying their surroundings."

– **Kent Bowman, Arkansas**

"If labor shortages shrink, there will be a lot of work to be had. Doing more with less help and working smarter, not harder has got to be everyone's focus."

– **Ray Van Goethem, Michigan**

"The industry is more challenging than ever. Supply shortages, erratic weather and labor shortages coupled with high demand will surely make 2022 one of the most difficult years to date."

– **John Wood, Idaho**

"The landscape industry for 2022 appears promising and full of new opportunities. I have been in this field for over 20 years and every year has allowed me to continue furthering my knowledge, skills and passion for landscaping."

– **Kris Kahler, Ohio**



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2022 PRODUCT TRENDS

Briggs & Stratton: Electrification and battery power will continue to be a leading trend as manufacturers continue to develop equipment that provides additional solutions for commercial cutters and landscapers, whether it's noise, regulation or customer preference.

Landscapers need to respond to state and local regulations calling for a reduction or elimination of emissions or sound ordinances enacted by municipalities or even homeowners' associations. At GIE, Briggs & Stratton demonstrated the benefits of Ferris commercial battery powered zero turns and will be introducing new products in the future, powered by our Vanguard batteries.

Another trend that was clearly evident at GIE this year was an increased interest in specialty turf equipment, which allows cutters and landscapers to offer more services to their customers throughout the entire year. More and more contractors are adding overseeders, vacuums, blowers and debris loaders to extend their season into fall clean-up — and aerators, stump grinders and spreader/sprayers for spring prep.

URSrobot: Without a doubt, autonomous, robotics will continue to be accepted as a business solution. The implementation of this technology requires a wraparound service of education, financial terms and business management. The mandates for clean and green energy will dictate change and likely usher in a new era of business operators. 🌱



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