

Contractor Success Guide

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Charge Your Business Through Networking

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GET INVOLVED AND BUILD RELATIONSHIPS



Dear Contractor,

When you get right down to it, business is about relationships, whether personal or professional. I was particularly intrigued by articles in this issue of *Contractor Success Guide*, as at their core is the importance of relationships... with peers, competitors, servicing dealers, employees, manufacturer suppliers, etc. This issue of *Contractor Success Guide* highlights the benefits of getting involved in professional organizations, as well as building a loyal workforce. Involvement in such national associations as Professional Landcare Network (PLANET) and your state landscape contractor associations, as well as your local business organizations and government entities, can help you build important relationships, enriching you both personally and professionally.

At STIHL, we are a proud member of PLANET and are actively involved with Student Career Days, various committees, and the Leadership Management Conference. Though networking is often cited as one of our key benefits of membership and event attendance, the benefits of association involvement for your business goes far beyond that. Some tangible benefits of PLANET membership include access to mentoring, training tools for you and your employees, discounts on business services, and opening the door to a pipeline of future employees through student chapters and PLANET Student Career Days.

STIHL will also be at the upcoming GIE+EXPO (www.gie-expo.com) in Louisville, Ky. In addition to visiting us in our booth, I encourage each of you to attend PLANET's Green Industry Conference education program. It promises to be one of the best programs ever. Make the commitment to get involved and build relationships...because it really is all about relationships!

Wishing you success in the future!

A handwritten signature in black ink that reads "John Keeler".

John Keeler
National Training Manager
STIHL Inc.

Gregg Wartgow, editor-in-chief



Peer-less Pressure

I've been on *PRO Magazine* for the past 10 years, but have also had the pleasure of working on a sister publication called *Yard & Garden*, which reaches power

equipment dealers. One thing I've noticed about dealers is that they have an immediate support network of their peers. But for landscape contractors, it's not quite so simple.

When you're a dealer of a certain brand, you often become friends with other dealers of that brand from around the country. This network of dealers can share best practices and/or horror stories, or simply just pump each other up. Landscapers have to work a little harder to benefit from a network like this, which is why there is no substitute for joining an association.

The story on page 4 talks about the importance of being part of your local and/or state association, not to mention a national organization such as PLANET. Association membership often provides access to a stable of consultants and service providers, discounts from select suppliers, and infinite words of wisdom from other contractors who are fighting the same battles you are.

Regardless, having a good support network of your peers is imperative, no matter what business you're in. Even with me in the journalism biz, I often meet for lunch with other Cygnus Business Media editors to discuss things like digital camera technology, cool names for an online blog, and the effective use of the future perfect progressive tense.

The point is that you never want to become isolated in your business. Contractors today are facing many challenges. To keep your business ahead of the curve, a network of your peers can help keep those creative—and competitive—juices flowing.

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The Power of Networking



Charge Your Business

Getting “plugged in” through local and national associations can do a lot of things to recharge your business and take you to the next level.

Maurice Dowell, CLP, recalls one of the first Green Industry Expos he ever attended back in the mid-90’s. His company, Dowco Enterprises Inc. in Chesterfield, MO, was on the move. His customer list was growing, he’d just built a new facility, and he was anxious to share his story with peers from around the country. He had the chance to do just that at a PLANET Breakfast of Champions networking event.

Dowell says joining the national green industry association PLANET (landcarenetwork.org) was one of the brightest moves he’s made. The contacts—and friends—he’s made are too numerous to count. The knowledge he’s attained is bountiful. And the confidence he’s

gained is immeasurable.

Dowell’s landscape company in Missouri has grown to over \$2 million a year. But he wants to keep learning, and remains heavily involved in PLANET as the current chair of the Membership Committee and New Member Subcommittee.

Everyone has a voice

The green industry has evolved considerably since Dowell was first getting started in the business in the mid-80’s. Today’s environment is particularly challenging. Associations like PLANET are tackling a host of important issues, such as the H-2B crisis and other legislative matters. But no issue is more important than listening to its members.

“We want to ensure that we’re addressing our members’ concerns,” Dowell says. “That’s the only way to be the true voice of the industry. You need collective buy-in. We’re working hard to do more in the lawn care segment. And we’re working just as hard to elevate the concept of certification.”

Whether you’re a multi-million-dollar landscape company or a \$200,000 operation, being a member of a national association like PLANET says one thing: You’re quality. Being an active member of your local state association will provide the same benefit.

“Our membership has grown and our seminar attendance has increased,” says Diane Andrews,

executive director of the Michigan Green Industry Association. “It seems that when the economy plummets, our industry looks for ways to gain an edge on their competition.”

Andrews reminds that landscaping is a pretty easy profession to break into; the only license you generally need is to apply pesticides. In Michigan, when the auto companies layoff workers, the green industry sees a spike in the number of people who want to become landscapers. “We want to pull those new companies into attending our educational sessions, trade shows and other events,” Andrews points out. “We want to help professionalize them. The green industry is a viable, lucrative and rewarding profession to be in—if it is run like an actual business and not just some part-time weekend endeavor.”

Dowell and PLANET share a similar view regarding the low entry barrier in the green industry. “It’s not so much the entry that’s important, it’s the maturation process,” Dowell explains. “Our goal is to help strengthen these companies as quickly as possible so they’re contributing to a growing, professional green industry.”

To achieve that goal, certification is integral. PLANET offers a variety of certification programs:

- Certified Landscape Professional (business management)
- Certified Landscape Technician – Exterior



PLANET president elect Bill Hildebolt of Nature’s Select Premium Turf Services Inc. in Winston-Salem, NC, chats with Maurice Dowell (on right) at a recent PLANET function.

- Certified Landscape Technician – Interior
- Certified Ornamental Landscape Professional
- Certified Turfgrass Professional
- Certified Turfgrass Professional – Cool Season Lawns

The objectives of PLANET’s certification program include:

“It’s not so much the entry that’s important, it’s the maturation process.”

– Maurice Dowell

- To raise the standards of the profession
- To encourage self-assessment by offering guidelines for achievement
- To identify persons with acceptable knowledge of principles and practices of the profession
- To award recognition to those

who have demonstrated a high level of competence in the profession

- To improve performance within the profession by encouraging participation in a continuing program of professional development

Holding a certification(s) is one way the smallest company in a market can stand toe to toe with the largest. Similarly, though in a slightly different way, joining a state and/or national association can do the same.

“We want to see all landscaping companies on the same playing field,” Andrews says. “Insurance, certification and education help ensure that everyone is bidding jobs fairly (not undercutting). And more importantly, they help give the consumer a level of comfort in knowing that the company they’ve hired takes this business seriously.” **PRO**

The Power of Networking



Don't Succumb to Isolation

If you're not doing everything you can to build strategic relationships and partnerships—be they with suppliers, fellow contractors and even direct competitors—you're stunting your company's future.

Contractors are particularly susceptible to one debilitating entrepreneurial disease: isolation. After all, one reason many contractors go into business for themselves is to be independent. They're tired of being told what to do and how to do it. In addition, a key component of the entrepreneurial spirit is the desire to innovate and blaze a new trail.

Perhaps the biggest reason,

though, is simply a lack of time and/or financial resources to get out there and get connected. But according to Kevin Bonin, contractors can't afford not to get involved. He says that if you're not doing everything you can to build strategic relationships and partnerships—be they with suppliers, fellow contractors and even direct competitors—you're stunting your company's future.

Vendor relationships

Bonin began building those relationships even before he turned his company professional. While working at a power equipment dealership after college, he befriended the owner of a large lawn service company who showed him the ropes.

"I made a lot of friends over the counter at the dealership," Bonin says, "and one in particular

took me under his wing and taught me the business from a professional standpoint.”

Once Bonin went into business, he began attending business workshops and open houses put on by another equipment seller, Lynn Pesson Jr. of Southland Engine in Lafayette and New Iberia, LA. Lynn, in turn, introduced him to distributors and equipment manufacturer executives, and he met others at the Green Industry Expo.

Bonin also makes an effort to go beyond regular shop talk with all of his suppliers, including his accountant, attorney, insurance agent, bankers, etc.—anyone he comes into contact with.

“I’ve learned a lot from those people,” Bonin says. He also sometimes gets an inside scoop on what new products are being developed and how they can improve his efficiency, and sometimes gets to test prototypes. “There are times when I wonder if I have better relationships with my vendors than I do with my customers,” he jokes.

‘Stealing’ system ideas

Bonin inherited his vendor strategy in part from contractor and consultant Tony Bass who he met along with many other contractors from across the country during a seminar at the Green Industry Expo. He’s also worked with consultants Charles Vander Kooi and Kevin Kehoe,



Contractor Kevin Bonin of Bonin’s Lawn Service in Lafayette, LA, has found the value in networking.

meeting with them regularly at industry events, and is active in industry associations such as the Professional Landcare Network (PLANET).

“There are times when I wonder if I have better relationships with my vendors than I do with my customers.”

– Contractor Kevin Bonin

“Some of my competitors have asked me how I can justify going to all these trade shows and seminars,” shares Bonin. “I tell them that I come back every time with something that benefits my company—and that the trips have

more than paid for themselves.”

Contractors have a tendency to want to reinvent the wheel, giving them a sense of ownership, pride and accomplishment for having solved a problem. Bonin says he feels that too, but adds that he quickly learned there’s no shame in “stealing” good ideas.

“I basically built my business structure around the one outlined by Tony Bass,” Bonin relates. “I use his job descriptions, policy manual, marketing plans, etc. Of course I had to adapt them to fit my company, and some things I just can’t use, but there’s no shame in using a ‘cheat sheet’ for building your business.”

‘I don’t fear my competition’

Most remarkable, however, is Bonin’s efforts to establish relationships with competitors, both



Your suppliers, such as equipment dealers, can be a great resource for you while also helping you extend your network even further.

larger and smaller. He's introduced fellow contractors to PLANET and also funded efforts to form a local landscapers' association.

Pesson, the equipment dealer, has hosted open houses and even business seminars at Southland Engine, which helps break the ice and diffuse distrust among competitors. "It gets us together and puts us in a comfort zone," says Bonin. "A lot of contractors network with other contractors from different parts of the country at events and seminars. It's pretty rare for them to get together in

their own backyard."

Like anyone else, Bonin can be frustrated by people who undercut prices by cutting corners, and competition can become a heated battle even among professionals. But he and his wife Elizabeth can often be found dining out with fellow entrepreneurs.

"I don't fear my competition," Bonin says. "If I can help them improve their companies and they can help me improve mine, we all come out winners. I love this industry, and we should work together to raise the bar."

Spreading the wealth

Bonin has also built business relationships with several of his competitors, which he says has allowed him to better serve his customers. "I have a landscape license, a horticultural services license and a chemical applicator's license, and my company can do pretty much everything, but I don't care to get into big landscaping or irrigation projects," he explains. "We're just not set up for that. So I'll throw those jobs to someone else, and they'll do the same when it comes to hydroseeding and fertilization."

In some cases, cooperation can be a bit tricky. "We're still competitive and bid against each other on some accounts. There are invariably times when you're going to step on each other's toes. But we know each other well enough that we can trust we're not going to cut each other's throats." Bonin adds that it helped to get to know his fellow contractors outside of business first.

He also uses competitors as subcontractors and works as a sub for others on occasion. Being a relatively small company, he says it helps him get clients he wouldn't otherwise be able to.

"We can't have our hands in too many jars at once," explains Bonin. It's too stressful trying to be everything to everyone. I've seen too many contractors jump

into things they shouldn't have—not necessarily because they're greedy, but because they want to cover all the bases and please the customer or stake out their territory in the market. But it overwhelms them. If I feel like we're going to get in over our heads on a job, I'd rather hand things off to someone who does that kind of work every day rather than risk my name. I still have the opportunity to make a profit, and keep the customer happy and on board.”

Keeping things in perspective

The key to developing good relationships with other business owners is keeping things in perspective. “Business is business, and sometimes there are hard feelings,” Bonin says. “But you have to take everything with a grain of salt. Some people get burned and they become cynical and hold it against everybody. You just have to take a step back, cool off and not assume that everyone's out to get you. Don't get distracted by trying to guess other people's motives.” Most importantly, he says, is to always be on the lookout for a win-win—no matter who you're talking to. **PRO**

The Subcontractor Relationship

Using subcontractors—or being a sub yourself—can be one of the most profitable relationships with other contractors.

As contractor Kevin Bonin points out, it can be an ideal way for a small company to get work it otherwise couldn't, bringing in expertise to help avoid mistakes and maximize efficiency. A larger contractor, meanwhile, can leverage a role as a site manager on big projects.

There are also a lot of potential pitfalls that can sour the relationship with subs. Here are a few tips to help avoid such disputes:

- Be clear about contracts – Remember, subs are not employees under the direction of the general contractor (refer to IRS guidelines to be safe). The contract should be initiated by the general contractor, lest problems arise between it and the site owner's contract. The contract should be signed as soon as possible after the job is awarded, as delays may force the sub to move on to other work. The devil is in the details, and it should be clear what is included in the sub's price.

- Try to develop long-term relationships – Subcontracting should not be viewed as a stopgap or desperation measure by either side. Subs should provide good references, and general contractors should check them. By working together, both sides can improve efficiencies and profits over time. Subs should contact the general contractor on a regular basis to keep communication lines open and coordinate schedules.

- Communicate throughout the process – It helps if subs are involved in the management process, including pre-bid meetings if possible, progress meetings and follow-up meetings after a job's completed. Subs should receive adequate notice of scheduled work, delays and change orders to avoid confusion and wasted effort. It should be made clear who the sub is to contact in the event of a problem.

- Know the sub's limitations – Subs are usually very sensitive to cash flow, and the general contractor should make every effort to pay promptly. It may also help sometimes if the general contractor makes arrangements to purchase expensive materials to avoid cash flow crises. The sub shouldn't expect the site plan to bend to his needs because of other jobs, and the general contractor should understand the scheduling needs of smaller companies.

Leadership



A CEO State of Mind

Changes in mind-set give contractors the tools to run a successful business.

We've all heard the stories. "I've been in the business since I was 14," or "My neighbor was my first mowing customer when I was 11," or even "I started mowing lawns during college to save for vacation. I've been in it ever since."

People in this business often end up becoming full-time landscape contractors almost by accident. What was a lucrative part-time business eventually becomes a full-time endeavor. Still, even as many contractors begin building a business, they don't consider themselves business owners or entrepreneurs. It takes a change in mind-set before contractors truly embrace the role of CEO, whether it's for a company of one or 100.

"The term 'business owner' is more than just a title," says business coach Dan Kohler. "It's an identity. Are you a landscape contractor doing business, or are you a business person in the landscape industry? You have to change your center of gravity."

Bob Tunzi of Tunzi & Sons Landscape in Crestwood, IL, agrees. "People in this industry tend to think of themselves as landscapers who happen to be in business, but it should be the other way around."

Thinking like a business person is difficult for contractors who started out as craftsmen in the landscape field. "Now you have to deal with the ethics of business, not just the ethics of your craft," explains Kohler.

Landscape contractors begin in this business approaching jobs with the idea of maintaining a level of quality. Every customer has to be happy. "But a business person looks at the same job differently," says Kohler. "A business person says the job has to be done at a certain level of quality in a certain amount of time in order to get a certain amount of profit. Until a contractor can come to terms with the priorities, he or she is a train wreck waiting to happen."

"There's nothing wrong with being passionate about what you do, but the first consideration has to be whether you're doing it profitably," says Tunzi. "I think of myself as a businessman who happens to be in the green industry. I

love landscaping, but I know if I had to I could apply my business skills in another industry.”

What do you want to be?

One of the first things landscape professionals need to define is what you want your company to be. Hand-in-hand with that decision comes a little soul searching. “As a human being, what do you really want out of life? What are your values? What do you strive for?” asks Kohler. It really makes a difference as you set a path for your company. Kohler says some contractors want nothing more than some profit in a business they love doing. Others want bulletproof security. Still others won’t feel satisfied without continual growth toward a giant achievement. Decide what you want out of life and out of your company.

“There are a lot of factors that will influence your decisions,” says Brian Youngerman of Youngerman Landscapes in Monroe, NC. “But the most important factor is what best fits your personality. Are you task and detail-oriented? Maintenance would suit you. Are you all about the creative? Maybe design/install is your thing.

“There is pressure from customers and from our own egos to be too diversified,” Youngerman continues. “For a lot of people, specializing in one area and creating a niche is very successful. Don’t lose your focus on what you do best.”

“Are you a landscape contractor doing business, or are you a business person in the landscape industry? You have to change your center of gravity.”

– Dan Kohler

A weakness for many contractors is having the mentality that, “If I don’t offer this service, my customer will find someone else who does—and drop me.” That is a common fear, and one that will get some contractors into trouble. “You’ll find you are weak in areas after it’s too late and you’re in financial trouble,” says Youngerman. “Don’t back yourself into a corner. Do your homework before you dive into new services.”

Develop a plan

Once you know where you want to be some day, you need a plan for how to get there. “Set the stage for your plan,” says Youngerman. “Mold the business with your traits, qualities and goals. The plan will take on a life of its own.” Making a plan is one thing, sticking to your plan is another. This is another change in mind-set necessary for contractors as they grow their businesses.

Youngerman suggests building into your strategic plan the tools

you’ll need to achieve your goals. Charge what you are worth. One of the most important changes in mind-set for a landscape contractor has to do with how you price yourself in the marketplace.

“Contractors are under the assumption that they have to be competitive, and that means a lower price,” explains Youngerman. “They think that if they work hard, everything will go well, but what they’ve signed on for is self-imposed slavery. You have to change your mind-set. It’s not about price. It’s about effectively selling and marketing your services at a higher price. This is a tough concept for some contractors to grasp.”

Contractors should rely on the numbers to help them determine a price for services and not doubt their value. “If a customer decides not to buy from your company, you think ‘there’s something wrong with me.’ But in reality they were never a good prospect,” says Tunzi. “You start to question whether you know what you’re doing because she says your prices are too high. That causes you to evaluate your pricing based on feelings, not on the numbers. You have to base decisions on the numbers; you have to take the emotion out of it.”

You need help as you grow

It is important that you can count on help from employees and business partners as your



company grows. “As you get bigger, you have more to cover,” says Youngerman. “You can’t do it all. That may sound elementary, but this is one of the most difficult concepts for contractors to grasp.” Plan from the beginning on how you will build your team and how you will organize responsibilities as you grow.

As the contractor’s company and team continue to grow, it is important to learn how to effectively delegate tasks. As things get busier, people get into reactive mode and put out fires instead of following a plan. Soon anxiety is in charge, and the business owner is off track.

“The only way you can call the shots is by controlling your time,” says Kohler. “If you aren’t controlling it, then someone else is.” As much as possible, give issues and people a place in your schedule rather than letting them take over and derail you from your goals of the day.

One of the best tools to help manage your time and keep things

focused is a good office manager. “I know very few contractors who are profitable without an office manager,” says Kohler. The office manager organizes, prioritizes and often runs interference, freeing you to handle the tasks at hand. “You can deal with things on several levels. You can be out in the field taking care of one issue while the office manager is fielding calls and making appointments. You can stay focused on the big picture and keep your schedule integrity.”

As you grow, communicate your plans and goals with employees. “If they know you have a plan and realistic company goals, they are more apt to follow,” says Youngerman. “They will rise to the occasion, and it will make your leadership role a lot easier.”

The art of managing people

Contractors will say that the people side of the business is the most difficult to manage. By putting the concept into perspective, you can save many headaches.

“When you manage people, you are using applied psychology,” explains Kohler. “All that comes down to is using tools to read people well and know what motivates them. It is the art of getting results through others.”

While learning about the psychology of your employees may take a little research, it does not mean you have to get a master’s degree in the subject. “The term ‘applied psychology’ scares contractors,” says Kohler. “In reality, it is a technical skill than most anyone can master.

“Think of managing people as having a contract with each employee,” Kohler adds. “The contract covers two areas. One is performance. This area is usually pretty well spelled-out as you describe what you want your employee to do on the job. The other aspect of the contract deals with the relationship between you two. This part of the contract is usually unspoken, but is supposedly understood between parties.”

This second part of the

contract is often vague; employees don't know what they are dealing with, and neither does the employer. This is often where problems arise. "You have to make sure you both understand the personal contract," says Kohler. He suggests doing a little exercise before you discuss the contract with an employee:

Step 1) Identify the terms of the contract

Step 2) Ask yourself, "Am I holding up my end of the bargain?"

Step 3) Take action to change the behavior by first clearly communicating the contract and making sure the employee signs on

"This process is as concrete as learning how to plant a tree," says Kohler. "There's a sequence and a process you have to go by. Think of it this way: Would you take a job and complete it without a clear contract with your customer? Of course not. Contractors seem to feel there are hidden rules to management, and that it's all a big mystery. It really isn't."

Put your ego aside

Part of the problem is that contractors tend to let their egos take over the business. "They think any idea that isn't theirs is bad," says Tunzi. "I try to avoid thinking I have everything figured out. I'm not too proud to borrow ideas."

Sometimes, it's easy for landscape contractors to get

wrapped up in a "hero" complex. Contractors feel the weight of the entire company on their shoulders, and they begin to think that success or failure depends solely on them. "Contractors start thinking that they must always be the expert or they will lose control

"You think employees are slacking off just to spite you. Instead, you should be looking at systems and management practices to fix the problem."

– Dan Kohler

of their business," says Kohler. "Another common thought is that their workers must think and work like them in order to stay in business and continue to be a hero."

This mind-set leads contractors to take everything that happens in the business personally. "You think employees are slacking off just to spite you," explains Kohler. "Instead, you should be looking at systems and management practices to fix the problem."

This type of thinking blows issues out of proportion and makes contractors feel overwhelmed. "It can cause you a lot

of pain and make you think something is seriously wrong," says Kohler. "It feels like 400 problems, but it's really only two. Usually all it takes is a fundamental shift in the way you look at things. A little turn of the lens can bring everything into focus."

Ego, however, is not always a bad thing. After all, you must have a strong ego to go into business in the first place. The key is to keep your ego in check and not let it get in the way of good business decisions. "Ego is what drives us into other areas of the business," says Youngerman. "You look around and say, 'Well, I can do that.' Stop right there and ask yourself if the numbers support that decision. Where is the capital going to come from, additional labor, training, etc.? Let the numbers guide you, not your gut."

It seems like that emotional component causes some contractors to use the wrong benchmarks. One of the most important changes in mind-set is what you use to measure your success. "Some contractors get caught up in appearances," says Tunzi. "They measure their company in terms of how many trucks they have and how much revenue they're bringing in. It's not how much you bring in. It's how much you take home." **PRO**

Visit progroconsulting.com for more from business psychologist Dan Kohler.

Leadership



Meeting of the Minds

Running effective meetings is part of being a good CEO. Here are some tips to make yours a lot more productive.

There are several characteristics that employees look for in their leaders. Communication, organization, vision, focus and direction are characteristics often perceived as necessary for CEOs. Nowhere are each of these things more evident (or more missed) than during meetings.

Business psychologist Dan Kohler says “running meetings” is one of the areas landscape contractors are weak in. “This is something contractors realize as they grow their business,” says Kohler. “With growth comes more employees, more accounts, more services, and more issues that warrant a meeting. Contractors discover this is a weak area for them.”

Properly run meetings save time, increase motivation and productivity, as well as solve problems. Conversely, badly run meetings waste time, money and resources, and are worse than

having no meetings at all.

Off on a tangent

What’s the biggest problem in meetings? Tangents. Kohler says that meetings become a ritual waste of time mainly because the leader of the meeting doesn’t know how to run one. Instead, as issues come up, the meeting leader wants to address them immediately, even if that was not the original meeting topic. This often happens because as the owner, you are trying to solve problems. But in actuality, you are pulling away from productivity to achieve another result. This can have a domino effect.

Kohler says that it’s an honest attempt to be a good meeting leader, but it becomes ineffective for everyone involved. Running an effective meeting is a learned behavior, but chances are, you never learned it in school. “In

school I learned how to be a psychologist,” says Kohler. “Landscape contractors learned their craft. But no one really teaches the business need of communication, or how to be effective with it in leading your company.”

Kohler also says that this is an area where contractors see there is a problem, but aren’t sure where to turn to find the answer.

Learn to run an efficient meeting

Kohler highly recommends taking the time to educate yourself in this area. You will be more organized, more focused, and in a business where time is money, you will gain efficiencies that pay high dividends. So where do you learn about how to run a meeting?

“Entire books have been written on this subject,” says Kohler. One of his favorites is called “Death by Meetings” by Patrick

Lencioni. There are many styles and systems to running efficient meetings. Here are some recommendations:

Step 1: What kind of meeting is it?

There are basically two kinds of meetings: tactical and strategic. Tactical meetings are the ones held most frequently. They will cover scheduling, job descriptions, sales and production and more. Strategic meetings include short and long-range planning, brainstorming and other “big idea” topics.

Step 2: What’s on the agenda?

Determine your agenda for the meeting as well as who should attend. Make sure everyone is familiar with the topic and goals of the meeting. Agendas are like maps. If your job as the leader of a meeting is to help a team stay on track, you need to know what the track is.

Step 3: Stay on course

Keep meetings under firm control so they don’t wander from the original intention. The key to success is keeping control. You do this by sticking to the agenda, managing the relationships and personalities, and concentrating on outcomes. Remind yourself and the group of the required outcomes and steer the proceedings towards making progress, not hot air.

Most meetings begin as

tactical, but then get derailed into a strategic meeting through tangents during the course of the meeting. “Say you’re talking about upcoming jobs,” explains Kohler. “Someone brings up the fact that you’ve had six callbacks last week. You discuss the problems and realize a system should be developed to eliminate the problem. Meanwhile, you haven’t talked about the subject at hand, and you’ve wasted 20 minutes.”

Kohler says the problem here is that because there are issues that “don’t have a home,” they come up repeatedly. You feel you have to deal with them at the moment, because you never get back to them in the day-to-day chaos of the business.

Defer new issues to another time. Practice and use the phrase, “You may have a point, but it’s not for this meeting. We’ll discuss it another time.” But you then have to plan on actually discussing it another time.

Step 4: Give topics a home

When those topics come up that need addressing—but are off-topic for the meeting at hand—give that new topic a home. But where? “Begin an ongoing process with key employees,” advises Kohler. “Have a regularly scheduled strategic meeting. In this meeting, you have designated time specifically for these topics, such as systems that need to be enhanced.”

Most companies find that having one or more of these meetings every month is beneficial. Such meetings bring employees together, allowing them not only to feel like part of an organization, but to understand the company’s goals and direction.

By having this meeting system in place, you will begin to recognize those off-topic tangents as they happen. You will add the new topic to the strategic meeting agenda, and get the meeting back on topic. When you have a balance like that, you are self-calibrating. Your efficiency increases, but you also build a sense of trust. It’s already in the design that you will go back to the topic and fix what’s broken.

There are two main goals for meetings: to produce work and to get things accomplished. A strategic meeting can include everything from the development of goals and timelines to a shopping list of things that need to be done. Above all, says Kohler, remember what being the boss is all about.

Educating yourself on proper methods will improve your leadership skills and increase your employees’ trust in you to get things done. “There’s a lot as an owner that works against you,” says Kohler. “Make sure you aren’t working against yourself.” **PRO**

Visit progroconsulting.com for more from business psychologist Dan Kohler.

Are You Ready for STIHL at GIE+EXPO 2008?

STIHL is bringing award-winning garden expert P. Allen Smith to GIE+EXPO!

At the Professional Landcare Network (PLANET) Green Industry Conference (GIC), STIHL is pleased to bring you national celebrity garden designer, P. Allen Smith, who has plenty of fresh, green ways to think outside the box that will help you stimulate sales for your business. As host of two nationally-syndicated television shows and a regular contributor on *The Today Show*, Smith is in touch with all the hot new outdoor living trends that customers want. He'll share new ideas for keeping your business going all year long, such as holiday decorating services, party set-ups, green choice lawn services, backyard getaways, water feature and container garden designs and upkeep.

About P. Allen Smith

STIHL is the official handheld outdoor power equipment sponsor of best-selling author, television personality and award-winning garden designer P. Allen Smith. Smith is a regular visiting expert on The Weather Channel, and host of public television program *P. Allen Smith's Garden Home* and the nationally-syndicated *P. Allen Smith Gardens*. Smith is currently in the process of developing and constructing his "green solutions" Garden Home Retreat near Little Rock, Arkansas.



P. Allen Smith

Thursday, October 23
9:30 am & 2:00 pm | Featured Speaker PLANET GIC
4:00pm - 5:00pm | Book Signing | Booth #5074



STIHL Lumberjack Challenge

Presented by Scheers Lumberjack Shows
Thursday & Friday: 10:30 am | 12:30 pm | 2:30 pm
Saturday: 10:30 am | 12:30 pm

Compete in STIHL blower races!



Pros in Excellence Awards Reception

Friday, October 24
4:15 pm | South Wing - Lobby A

For more information, please visit www.stihlusa.com/events/gie-expo.html

Check Out New Low-Emission Products from STIHL at GIE-EXPO!

Dedicated to developing products that are environmentally responsible, STIHL employs a variety of technologies to meet and exceed EPA and CARB requirements while meeting the needs of its customers. We are proud that our product line features some of the best available technologies and some of the cleanest running outdoor power equipment available today, reinforcing our assertive position in caring for nature.

For more information on the the latest low-emission STIHL products, go to stihlusa.com/green, visit your local STIHL dealer, or stop by the STIHL booth (# 5074) at GIE+EXPO.



STIHL Sponsored Educational Seminars

Thursday, October 23

9:30-11:00 am
& 2:00-3:30 pm

How Creative Thinking and Design will Maximize Your Profits

Speaker: P. Allen Smith
Room E3 – C Lobby at EXPO Center

Friday, October 24

9:30-11:00 am

Save Time and Energy with Customer Service (panel discussion)

Panel Moderator: Jeff Korhan, CLP, True Nature Inc.
Room B104 – B Lobby at EXPO Center

10:00-10:45 am

Ethanol: Impact & Implications (technical workshop)

Speaker: Eddie Anderson, technical training coordinator for STIHL Inc.
Exhibit Hall Learning Center – Hall A

1:00-2:30 pm

How to Sell 'Outdoor Rooms' to Increase Your Profits (panel discussion)

Panel Moderator: Jeffrey Scott, Glen Gate Company
Room E3 – C Lobby at EXPO Center

2:45-4:15 pm

The State of the Economy: Where We Were, Where We Are, and Where We May be Headed

Speaker: Joseph G. Eisenhauer, Wright State University, OH
Room B101 – B Lobby at EXPO Center

Saturday, October 25

10:45-11:45 am

GREEN in Landscape Management (panel discussion)

Panel Moderator: Bill Horn, CLP, CLT, American Civil Constructors, Inc.
Room B105 – B Lobby at EXPO Center

Registration is required for both GIE+EXPO and PLANET Green Industry Conference seminars.

STIHL®

Personnel

Building a Culture of Trust

A loyal workforce is built on mutual respect, not gimmicks and clichés.

When you hear the term “business culture,” what comes to mind? Dot-com employees shooting Nerf rockets over cubicle walls? A “change agent” trying to explain to a roomful of glassy-eyed workers how “intrapreneurialism” can change their lives?

The term has been used and abused so much that it has nearly lost all meaning, dumped in a heap with other jargon like “synergy” and “win-win situation.” But buried in the jargon there’s an important idea.

Whatever it is—teamwork, motivation, values, initiative—Roscoe Klausing of Klausing Group Inc. in Lexington, KY, has spent much of the past several years thinking about it and trying to improve it. He says it’s been a critical part of the company’s success and the primary reason the company went from 300% employee turnover to 100% retention in just a few years.

Setting the example

Klausing says there was no magic secret to improving his company’s culture; it’s just a matter of trust. Such trust cannot be bought with incentives, and it can’t be earned with mere words. It stems from a genuine concern for employees.

Roscoe’s experience in laying off employees, followed by a period of high employee turnover, has driven him to build a more stable company that offers more opportunities for advancement.

“I think the green industry as a whole is under-appreciated, and this attitude trickles down to employees, who feel that they are the least valuable part of an undervalued profession,” explains Klausing. “If employees see an opportunity to better themselves and they understand what steps they have to take to get there, their self-respect improves and they’re going to try their hardest to get ahead. When

I tell people they’ve reached the ceiling, that there’s nowhere else to go, that’s the day we encourage mediocrity.”

Setting the example by becoming a Certified Landscape Professional through PLANET, Klausing encourages employees to further their education both inside and outside the industry.

Finding better team players

That’s not to say that every employee is going to strive for the best. In order to reduce the chances that a few bad eggs would spoil the batch, Klausing completely revamped his hiring process.

The simplest things can have an impact on the quality of job candidates, including the application form. “We had been using a pre-fab form that didn’t tell us anything,” says Klausing. “We developed our own form that gave us more insight and helped pre-qualify candidates. For one thing, we made it longer. Those who

blow through it in a couple of minutes are probably not going to pay a lot of attention to detail on the jobsite.”

The interview process was also changed, and now includes five “points of contact” in which the candidate must interact with other employees. “We want to get as many perspectives as possible,” Klausing tells.

The process is also designed to test the candidate’s promptness and diligence. “After the first interview, we’ll say, ‘Here’s our vision statement. Read it over and give us a call by 2 p.m. on Friday and tell us what you think.’”

Finally, after consulting with an attorney about the appropriateness of the questions, the company added various questions to job interviews to help the screening

If employees see an opportunity to better themselves and they understand what steps they have to take to get there, their self-respect improves and they’re going to try their hardest to get ahead.”

– Roscoe Klausing

process. “We try to find out something about their interests and get them to talk about themselves,” explains Klausing. “If they don’t have outside interests, it’s less likely they’ll enjoy work.”

One of the most important

changes in hiring procedures was the realization that they were always looking for worthy candidates. “We’re always hiring,” says Klausing. “It’s the same idea as ‘We’re always selling.’ If someone calls and says they’re looking for a job, we go through the application process. We don’t say ‘Call us back next February,’ because we may be talking to our next vice president.”

Applications of interviewees for whom there wasn’t an immediate position are kept on file—and pulled up as soon as there’s an opening. “We also try to keep our ears wide open,” Klausing says. “We keep in touch with local schools and tech colleges, including their grounds maintenance departments.”



Bringing in ringers

Klausing says he's also found that people outside the industry can make great job candidates. The company's first ever production manager, now an account manager, had a background in forestry. "He's performed every role that's been asked of him and more," Klausing tells. "He brought an entirely new perspective and brought ideas to the table I would have never thought of on my own, and he's been a mentor on horticultural issues. The biggest downside of being self-employed is that I had always been the one who had to go out and seek new ideas. It's been a blessing to have people who have their own interests and ideas."

Klausing took the concept even further with a more recent hire: the company's first salesperson. This recent grad, with a master's degree in social work, had limited sales experience, but did have extensive skills in education and human relations. With the ultimate goal of helping the company grow to a point where he could become the H.R. manager, this person has organized weekly training sessions and other events. "He knows how to communicate without making people defensive," shares Klausing. "One day he designed a mower obstacle course with teams of two



people—one person directing the driver, who is blindfolded. It was so loud that no one could hear their partner, demonstrating how distractions and conflicting orders get in the way of communication. Everyone had a great time, and came away with an important lesson."

The employee also helped establish regular, structured production meetings in which crew leaders could share their ideas, comments and complaints. "It's a great way to get crew leaders involved," says Klausing. "We've changed a number of standard operating procedures based on input from the meetings."

Taking on a life of its own

Klausing says he's pleasantly surprised that efforts to instill a company culture have yielded such unexpected results. Just as importantly, he says it's heartening to see a culture take on a life of its own, reinforcing shared values such as excellence, honesty, trust and ongoing education without need for his continuous prodding.

"We've grown to the point where I can no longer constantly touch base with every person who walks through the door," says Klausing. "We still have a lot of challenges ahead, but I think we're on the right track." **PRO**

Keep Safety Training Ongoing, Simple

When developing a training program, it is important to keep it simple and focus on the basics first. Create your agenda as if all your employees are either new, or at least need reminding of the fundamentals of proper safety. In a lot of instances, it's the basic items that are forgotten.

Safe trailer loading

Don't limit your safety training solely to your turf or maintenance equipment. Train your employees on the proper storage and transportation of equipment as well. If you think about it, your trailer can be a relatively inexpensive part of your equipment list. The lights, safety chains, brakes and tongue locks are relatively inexpensive. What we forget, however, is that these inexpensive items help protect the expensive investments, such as mowers, trimmers and even the truck that pulls the trailer. Don't risk your equipment investment by forgetting to train an employee on the proper use of inexpensive safety chains.

Maintenance

Too often, when performing routine tasks, we get complacent and forget proper safety practices. It's the simple things like removing the spark plug from your push mower before removing the blade that people forget.



Training in the proper handling of fuel should also receive a great deal of attention. Things like using safety cans, letting equipment cool and preventing spills are what we may need a reminder for. Teach the proper routine maintenance of your equipment, and remember that maintenance and safety are often one in the same.

Developing your program

Keep the first step in developing your program simple. The program doesn't need to be complicated, but it does need to be started. Material is already available through your equipment suppliers. Use operator's manuals, maintenance checklists, end-user training programs and tools like manufacturer safety and operation training videos. Visit online bulletin boards,

chat rooms and manufacturer websites for more information on safety.

Use cleaning as a learning tool, and implement an equipment-cleaning program. Beyond machine appearance, this allows employees to become more familiar with the equipment. They will be more likely to notice a small issue before it becomes a big failure or a safety concern.

Train employees on how to inspect the safety devices on all equipment. This can often be done during start-up or visual inspection. Again, the key is to keep it simple. Test your training program by having someone outside the industry review it. If the program can be understood by a non-professional, then you're probably on the right track. **PRO**

Office Administration

Protect Yourself from Embezzlement

Tips from an expert can help prevent you from becoming a victim.

Stories of embezzlement are chilling, but most people maintain the “It won’t happen to me” attitude. That’s just what one contractor, Joel Wihebrink of Wihebrink Landscape Management, thought (as reported in the January 2004 edition of *PRO*). Eventually, one of his trusted employees made off with \$16,000 of his company’s money before Wihebrink figured it out.

There are steps you can take and procedures you can implement to protect yourself and your company from an embezzler. *PRO* referred to an expert on the matter to find out more. Ed McMillan is a CPA, consultant, speaker and author of several books including “Fraud and Embezzlement: How it happens and how you can prevent it. A practical guide for small businesses.” McMillan has uncovered hundreds of embezzlements. He says that most embezzlement situations have three things in common:

1. The embezzler was an employee above suspicion
2. Upper management was not

- reviewing the bank statements before accountants received and reconciled them
3. The employees worked in an accounting function

A protection checklist

According to McMillan, an effective internal control system is an absolute must if your organization is serious about protecting itself against employee dishonesty. Following are some tips for how to develop a plan for protection:

- Require two signatures on checks. The two signers should not be associated with approving an invoice for payment. McMillan says that the more people involved with processing the check for payment, the less likely an embezzlement will occur because collusion would be necessary.
- Have bank statements forwarded to your attention and review them, along with cancelled checks, before your bookkeeper gets them.
- Do not allow bookkeepers, accountants and office manag-

ers to be the authorized signers for checks.

- Make sure checks that come in the mail are endorsed or stamped immediately, before others come into contact with them. Use an endorsing stamp that spells out the full name of your organization, including your account number. Having the term “For Deposit Only” is also a good idea. Here is an example of what your stamp should include:

**FOR DEPOSIT ONLY
ABC Landscaping Inc.
Johnson Federal Bank
Account #54983959**

McMillan says embezzlers don’t typically tamper with endorsed checks, because it is so obvious.

- Limit who has contact with incoming checks.
- Make sure all outgoing checks are computer-protected or imprinted with a check protector machine.
- Have an independent CPA firm evaluate your systems annually and take their suggestions for improvement seriously.

- Make sure all employees who handle the finances are bonded. Even if they don't worry too much about you prosecuting, a bonding company will seek recovery with a vengeance. This also protects you, because the bonding company will repay your loss.
- Require employees to take a vacation. Improprieties often become obvious when the criminal is not there to hide things.
- Keep control of unused checks, storing them under lock and key.
- Have an agreement with your bank that you, and only you, have the authority to present new signature cards to the bank.
- Make sure two people are involved in computing payroll and remitting payroll taxes.
- Make sure your policies are in writing, possibly in an employee handbook. Be clear in your policy that improprieties are grounds for termination.
- Periodically check the bank's records, making sure they only have authorized personnel on signature cards.
- Do random checks on bank reconciliations and investigate checks that haven't cleared.
- Test cash transactions routinely.
- Make sure you have an effective computer backup system.
- Have a policy to shred all disposable documents that contain financial information.

By taking the time to develop procedures that create account-

PRO
Business success for landscape professionals

Contractor Success Guide

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ability and prevent embezzlement, you will possess an “I won't let that happen to me” attitude. **PRO**

Ed McMillan, CPA, CAE, is a nationally recognized speaker on

financial and management topics, and has authored numerous books and articles. To contact Ed or to buy one of his books, visit nonprofitguru.com or call 410-893-2308.

Personnel

Permanent Solution for Temporary Workers

The U.S. Citizenship & Immigration Services (USCIS) has announced a series of proposed rule changes that will streamline procedures for hiring employees under the H-2B seasonal guest worker visa program. However, the changes do little to address

the primary challenge small businesses such as landscape companies are wrestling with: a severe labor shortage.

The proposed modifications to the H-2B program, designed to remove unnecessary limitations on H-2B employers while both preventing fraud and abuse and protecting the rights of temporary workers, would:

- Relax the current limitations on the ability of U.S. employers to petition for unnamed workers
- Reduce from six months to three months the amount of time an H-2B worker whose status has expired must wait outside the United States before he or she is eligible to again obtain status under the H or L classifications
- Require employer confirmation on the scope of the H-2B employment and on the use of recruiters to locate beneficiaries and provide for denial

or revocation of an H-2B petition if an H-2B worker was charged a fee in connection with the employment either (a) by the petitioner, or (b) by a recruiter where the petitioner knew or reasonably should have known that the recruiter was charging such fees

- Eliminate the ability of employers to file an H-2B petition without an approved temporary labor certification
- Preclude changing the employment start date after the temporary labor certification is certified by the Department of Labor
- Require employer notifications to the Department of Homeland Security when H-2B workers fail to show up for work, are terminated or suddenly leave from the worksite
- Change the definition of



“temporary employment” to clearly define that employment is of a temporary nature when the need for the employee will end in the near, definable future and to eliminate the requirement that employers show “extraordinary circumstances” to be eligible to hire H-2B workers where a one-time need for the workers is longer than one year but shorter than three years

- Prohibit the approval of H-2B petitions for nationals of countries determined to be consistently refusing or

through a port of entry participating in the program must also depart through a port of entry participating in the program; upon departure they must present designated biographical information, possibly including biometric identifiers.

The worker shortage continues

Many employers in a variety of industries rely on H-2B workers. The Professional Landcare Network (PLANET) estimates that approximately 2,800 landscape

because returning workers are no longer exempt from the national cap of 66,000 workers.

The national cap is typically met by January, leaving many landscape businesses without the workers they need for the busy spring season. This year, the first half cap of 33,000 visas was met by the end of July. The first half equates to employment start dates prior to April 1.

PLANET says the closing of the cap so early is devastating for the landscape industry. Many PLANET members have already suffered significant losses this year as a result of not getting H-2B workers, or perhaps not getting them until later in the year when they weren’t as needed. A second year of these types of losses would be catastrophic.

What can you do about it? Get involved with your state association. Get involved with PLANET. Contact your members of Congress and tell them how important the guest worker program is for your business and the industry in general.

A variety of secondary labor sources are indeed available, though not as readily as guest workers. They include students, displaced workers, women and retirees. Just remember, it’s never too early to start asking for applications so you can begin assembling your workforce for next season—before you’re *in* the season. **PRO**



unreasonably delaying repatriation of their nationals

- Establish a land-border exit system pilot program under which H-2B workers admitted

companies alone participate in H-2B. As a result of Congress’ failure to pass comprehensive immigration reform, the H-2B program has been greatly compromised,

Estimating

Better Profits from Better Estimates

Systems are important for all areas of your business, but the area most crucial to master—if you want to get the rest of the business running like a well-oiled, profitable machine—is estimating.

Doug Robbins of Robbins Landscaping in Richmond, VA, says the No. 1 area in your business to nail down a system and strategy is your estimating. All other systems and efficiencies stem from that. “Without knowing your costs completely, you can’t possibly arrive at an accurate bid number,” Robbins says. “And without that, you won’t get the profit you need to sustain your business.”

Bill White of Impact Landscaping in Morgantown, WV, agrees. “You need a reliable, repeatable, consistent bidding system,” says White. “By knowing all the costs associated with each job, it helps your bidding process run more smoothly.” White, in fact, has information related to his costs for materials and labor in his HP pocket PC. White says this benefits not only accurate estimating, but the speed in which he can produce an estimate to a serious prospect.

“I can look up the price of



any item and fill out a proposal on site, eliminating the need to go back and meet with the customer later in the week,” says White. “The faster an accurate bid can be placed, the better. It has been my experience that most people are looking for a bid in their hand ASAP. Regardless if you are the highest or the lowest, usually the first guy who gets the bid submitted gets the account.”

Of course, producing an accurate estimate involves two things: knowing exactly how much it costs you to perform any given task, and knowing exactly what the parameters are of the job you are bidding.

Costs of each task

Do you know exactly how long it takes a crew to perform each service, down to each square foot, down to the minute? If you don’t, it’s a good place to start. “We bid our jobs based on production rates,” says Robbins. “We study industry rates and time all our jobs to get an average production rate for each service.”

You need to perform your own time-and-motion studies,” says Tony Bass, veteran contractor and consultant, and founder of Super Lawn Trucks in Bonaire, GA. “Go out to jobs, watch and time activities. That’s the most effective way to gauge specific chores.”

White finds it most helpful to time jobs two ways. “I track time using stop watches,” he says. “One runs constantly for the day’s time and progress. The other is started and stopped on each site as we enter and leave. I know exactly how long each job takes.” Not only is this helpful in accurately estimating your costs for bids, it is extremely helpful in finding efficiencies that can shave minutes off your time that translate directly into profit.

Accurate measurements mean accurate estimates

Many landscape contractors have been doing this so long that they tend to “eyeball” a job and give an estimate based on an “educated guess.” Therein lies peril, according to these contractors. In fact, different contractors have different systems they employ before putting a number to the estimate.

System #1: The Complete Walk-Through. “I do a complete walk-through on each new account I bid,” says White. “I make notes of current site conditions. I then give the customer a report of my findings.” This serves two purposes.

First, “The report outlines all pre-existing conditions to eliminate false liabilities against my company during the contract. They have to sign and agree to the findings—or I won’t take the job.” Among the site conditions White notes are:

- Dead/dying trees and shrubs
- Turf areas in need of repair

- Damaged sprinkler heads
- Broken/cracked windows
- Problem areas
- Potential hazards for mowing
- Current state of beds/mulch

Second, this is a little bit of homework that will save time for future services to the same customer. “By taking measurements of all beds and turf areas, and noting the amount of tree, shrub and edge work on the property, I already have all the square foot measurements in the computer,” explains White. “Then, if a client calls three months down the road needing a mulch job, I know how many yards we will need to do the job. I keep all this information, even on the jobs we don’t get. Time has shown that most of them call back later for a new quote or to replace a current provider.”

System #2: Measuring for Profit. Robbins also measures for variable sight conditions, including soil breakdown, how far his crew would have to walk with a load, etc. Once he has all the measurements and site conditions calculated, Robbins determines the profit margin he will include in the bid based on four different elements:

- Risk
- Size of job
- Market
- How badly do I need the job?

“I assign a profit margin for each of these categories, usually based on a scale of 10% to 25%,” says Robbins. “From there I add them all together and divide by

four.” As an example, he bases the risk at 20% profit, size at 20%, market at 10% and need for the job (including whether anyone else is bidding) at 10%. The four factors add up to 60%. Divided by four, this job should get 15% profit added to the hard numbers to achieve a profit.

There is another factor too: the client factor. “How hard will this client be to work for? Some clients need more attention than others,” shares Robbins. “Based on my experience thus far, will this client need a lot of attention? If so, I’m going to allow for that in my profit estimate.”

Robbins says that in every estimate it is good to give three levels: high, medium and low. Why? “You want to create a situation where you are only bidding against yourself,” he says. “Then one way or another, you are going to get the job. You can’t lose.”

That’s not to say you cut your profit margin in each of these estimates. Rather, you can change the scope of work. Offer different options, such as seed and straw instead of sod. Or offer the job in phases.

“It’s like the fast food chains,” explains Robbins, a Pros in Excellence Awards finalist this year. “They offer different combos. Give people choices.” He says by providing the different estimates, you are also showing the client you know this job inside and out. **PRO**

Contractor Profile: Tunzi & Sons Landscaping in Crestwood, IL

Making the Right Numbers Requires Having the Right Customers

Contractor Bob Tunzi of Tunzi & Sons Landscaping in Crestwood, IL, has always gone out of his way to please his customers. It's a natural outgrowth of how he got into landscaping—using his horticultural skills to help friends and neighbors. When he started his business, he would spend extra hours on the jobsite making sure everything looked just right. “I sweated out every detail,” he says. “I wanted to make sure everything was horticulturally sound and looked as good as it possibly could.”

Looking back, Tunzi says that he was actually doing his customers—and his business—a disservice. Wrapped up in the details of the work, he lost sight of where his business was going and where it fit in the market.

Today, armed with better information, he's able to better match his company's capabilities with customer expectations—and

avoid running himself ragged in the process.

A cutthroat market

Tunzi faced a challenge when he entered his market, a major metro area dominated by cutthroat pricing. Over the years, those pricing practices had led to a vicious circle. Contractors crawled over each other to get clients, but then found it impossible to do a good job because they weren't charging enough.

The winning bidder in such a situation usually finds himself cutting corners so he can get to the next job and try to make up ground financially. Clients refuse to pay a high price for what they expect will be shoddy work, and the cycle continues.

“A plumber has to put in X amount of pipe because that's what the code tells him to,” Tunzi relates. “But in landscaping, there's nothing to prevent

a contractor from, for example, skimping on the base stones in a hardscaping job or not doing proper soil prep before planting. The installation's going to look bad in a couple years, and after a while people start assuming that all contractors are like that.”

Tunzi's devotion to quality helped his company gain a foothold. He says it was pretty easy to build up a backlog of clients because the company did good work and was also pretty cheap. “Who wouldn't pass that up?” Tunzi asks.

The trap

Refusing to cut corners on the jobsite, Tunzi avoided the trap of substituting quantity for quality. Instead, he made up the difference by working longer hours. He was, in effect, subsidizing his business by drawing on his reserve of personal time.

“I understood that I couldn't



cut corners, because that will always come back to bite you,” shares Tunzi. “This is largely a word-of-mouth business, and you can’t muddy your name. What I didn’t understand at the time was just how much I was giving away because I didn’t have a firm handle on the numbers.”

In essence, Tunzi was like a general trying to plan the war while at the same time fighting battles in the trenches. He was forced to make choices based not on a broader strategy, but on the tactical situation before his eyes. A decision to take on an account, for example, was based largely on gut reaction and not on whether it would be profitable.

Nothing more than feelings

“It definitely becomes an ego thing,” Tunzi says. “If someone rejects your bid, you take it per-

sonally, and lower your price just to avoid being rejected.”

Many contractors let those feelings get in the way of good judgment. “It’s really easy to give in and cut your price just so you can book more business,” Tunzi says. “A big backlog of work provides a false sense of security; you think that if you’re working hard, you must be making money.”

Taking a stand

Once he fully understood the real value of his services, Tunzi realized that he should be choosing customers as carefully as they chose him. He recognized that the people who were trying to beat down his price were not genuinely interested in what his company had to offer: quality workmanship. They just wanted a bargain. “It took the emotion out of it and made it easier to stand my

ground,” Tunzi says. “I’m still passionate about what I do, but I’m able to separate the business side from the craftsman side.”

Tunzi also began charging a fee for initial consultations, which helps sort out serious buyers from price shoppers, while also helping establish a more professional tone to a customer relationship from the beginning.

“Before, I would sometimes talk to a person for an hour or more before learning that they were just thinking about doing something with their yard, not actually looking for someone to do it,” says Tunzi. “I realized just how valuable my time is, and what kind of message I was sending by not charging for it. You’re not going to talk to a doctor or lawyer for free.”

Tunzi also took a second look at existing accounts, determining



Tunzi has found that if he targets the right customers and presents the right message, he can tap into a lucrative niche market for high-end hardscape projects.

that he couldn't financially justify serving many of them for much longer. Some wouldn't agree to price increases while others were too far out of his core service area, resulting in too much non-productive windshield time for his employees.

Tunzi also scaled back the maintenance side of his business after taking a closer look at the numbers. "We started doing maintenance at the request of some of our customers," he says, adding that his company, with its focus on installation, wasn't set up to deliver the service efficiently. "I knew mowing had a much lower margin, but I didn't know how bad it was until I started tracking it carefully."

Focusing on the right customers

Eventually, Tunzi was able to gather enough information to

begin to see trends and adjust his company's course accordingly. He was able to objectively determine the kind of jobs his company was best at in terms of productivity, the jobs he was most successful at selling, and where the opportunities were in the marketplace.

"We track where our leads are coming from and everything we bid," Tunzi points out. "I can sit down with a report and see what kinds of jobs we're winning." For example, Tunzi says customers tend to shop around less on planting projects because most people aren't particularly picky about what species goes where; they just want the job done.

With hardscape jobs, he's found that most people don't understand the costs incurred in planning. "A lot of companies are

out there saying, 'We charge X amount per square foot' without taking all the other factors into consideration. People don't see that, and have a hard time accepting a higher price."

But Tunzi has also found that if he targets the right customers and presents the right message, he can tap into a lucrative niche market for high-end hardscape projects. "We're getting into more complex installations, with raised patios and other different features that take a lot of time and skill to plan correctly," he adds.

Listening to the numbers

Tunzi admits that raising his prices and beginning a quest for quality customers has been a bit unnerving at times. In one sense, he says it was easier to take on every account that came his way and bury himself in the work than seek out customers willing to pay higher prices.

However, the numbers tell him that, in addition to wearing him out, the old way wasn't profitable. He can now afford to step back from the field and focus on communicating with customers, project oversight and planning for the future.

"It's still a work in progress," Tunzi says. "I'm learning to be a better salesman, along with all the other things I've had to study. People buy for different reasons, and I'm beginning to understand their motivations." **PRO**



Kurt and Matt Bland
Bland Landscaping
Apex, NC

“Our most effective cost-cutting measure was buying 58 new blowers.”

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we’d save enough on gas to pay for the new blowers in less than two years.” Fuel efficiency, low emissions – any other benefits, Matt? “The entire line of blowers is really powerful. And, my crews can work longer before refueling. We’re doing more work, saving money and we’re doing it clean.”

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