

# Contractor Success Guide



# REGAIN CONTROL OF YOUR BUSINESS

**GROW SALES, MAKE MORE MONEY**

3 Magic Questions That Drive Referrals • Marketing to Millennials • How to Sell With Your Tablet Computer • How to Use Creative Joint Ventures • Shave \$10,000 Off Admin Overhead • Tips for Dealing With Late-Paying Customers • 6 Steps to Lowering Worker Comp Costs • 5 Simple Steps to More Profit

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Business Strategies For Landscape Contractors

# Retaining Control of Your Business



Dear Contractors,

This issue of *Contractor Success Guide* is all about control of your business. The start of the year is a great time to evaluate your situation. Are you where you want to be? What challenges are you facing and how are you going to address them? Now is the time to put your plan for continuous improvement in place.

There is no quicker way to lose control of your business than to lose control over costs. Have you looked at your equipment inventory? Are you taking advantage of the newest technologies to save on fuel costs and improve your work efficiency? After running their own test showing a 40 percent reduction in fuel costs, Bland Landscaping in Apex, N.C., replaced their entire fleet of older blowers with STIHL BR 550 backpack blowers. The savings paid for the cost of replacing their entire fleet of blowers in less than two years.

Environmental issues are also putting limits on businesses. Whether it is emissions or noise restrictions, using the latest technologies can help you maintain productivity. At 65 dB(A)\*, the low noise STIHL BR 500 backpack blower can be operated in many restricted areas where other blowers can't. And the zero-emission, 36-volt Lithium-Ion STIHL Battery KombiSystem is perfect for jobs where gasoline-powered equipment is restricted and corded-electric is not practical.

To maintain or regain control of your business, I encourage you to evaluate all aspects of your operations, from office equipment to daily work processes. And remember to take full advantage of resources available to you like those you get with membership in associations such as the Professional Landcare Network (PLANET) [www.landcarenetwork.org](http://www.landcarenetwork.org).

All of us here at STIHL wish you a successful 2012.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Keeler', written over a horizontal line.

John Keeler  
National Training Manager  
STIHL Inc.



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# EXPLORE ALL OPTIONS WHEN 'EXPANDING'

Many lawn maintenance contractors are gaining a competitive edge by offering a variety of outdoor services. There is more than one way to go about diversifying, though, and it pays to think it through before venturing into uncharted waters.

**F**or many landscape contractors, service diversification is proving to be an effective way to add value to client relationships—and to stand out in an extremely competitive marketplace. When done correctly, diversifying can also drive growth. When done incorrectly, however, diversifying does nothing more than spread your company even thinner, and put your livelihood even more at risk.

“Contractors don’t always take into account everything that goes into adding and sustaining a new service,” says consultant Dickran Babigian of Navix. “There is also the cost of potentially losing focus on your core service that produces the majority of your sales and profit.”

Another thing contractors don’t always do is explore their options for diversifying and/or expanding. Sure, it could make sense to begin offering the ser-

## WHAT'S THE DIFFERENCE?

When one company takes over another and clearly establishes itself as the new owner, the purchase is called an **acquisition**. A **merger** happens when two firms, often of about the same size, agree to go forward as a single new company rather than remain separately owned and operated. True “mergers of equals” are somewhat rare, though. Sometimes, one company will purchase another—but to avoid the negative connotations with being “bought out,” the two companies will say it was a merger.



# re

vice yourself. But according to Babigian, more contractors are finding out that merging with or acquiring another contractor makes even more sense.

“There are plenty of opportunities for mergers and buyouts in today’s market,” Babigian points out. “Many company owners are coming to the conclusion that they just aren’t going to make a lot of money as a small company anymore. The time is ripe to be talking with other independent contractors about joining forces.”

First things first, though. Let’s explore the concept of offering a new service in-house.

## 5 questions to ask before adding a new service

When adding a new service, you have to consider the following if you want it to truly be a profitable success:

**1. Do you have expertise in the service you want to begin offering?** This includes your existing employees. If not, where are you going to get the expertise

## Complementary Services You Should Look At

Landscape contractors are as diverse as ever. According to *Green Industry PRO* magazine reader data:

- 86% perform mowing and maintenance
- 78% perform fertilizing and/or pesticide applications
- 71% perform installation
- 47% perform tree care
- 45% perform irrigation

Those percentages continue to climb year after year as more contractors look to diversify their portfolios. But aside from these staple

Green Industry services, contractors are also looking to provide additional “outdoor service solutions” for their clients, either by providing the services themselves, or through mergers, acquisitions or other strategic partnerships.

Some of those services include:

- Perimeter pest control
- Parking lot sweeping
- Seal coating
- Pressure washing
- Snow and ice removal
- Holiday decorating
- Outdoor lighting

and how much time and money will you have to invest?

**2. Could you hire someone with expertise to act as project manager to spearhead the effort?** This is where some contractors are finding that mergers and acquisitions are a good way to go.

**3. How many competitors will you be up against, and what is the quality of those competitors?**

Everybody and their brother are in the maintenance business these days, for instance. On the other hand, the irrigation business is less cluttered. Is there room for you in the market? Can you steal share from some existing contractors?

**4. Based on competition and the nature of the target customer, will you be able to price this service the way you want to?** The price wars are raging everywhere, but are even more intense in certain service sectors. Know what you’re going to be up against.

**5. What kind of new equipment will you need to offer this service?** Buying a \$2,500 consumer-grade zero-turn mower represents an easy-in for a start-up maintenance contractor. Getting into irrigation, tree care or hardscaping, on the other hand, will require some investments in new equipment.

### Write out a plan

“If you’re going to add a new service, you need to do some serious research,” Babigian advises. “You should really write out a

*continued on page 6* >



When thinking about adding a new service, one of the first things to look at is any new equipment and training that will be required, and the amount of business and margin you’ll need to bring in to recoup that investment.

## Merger and Acquisition Tips

This might sound harsh, but keep your eye out for company owners who seem miserable right now. They are typically under-capitalized and struggling with cash flow. The economy has been hammering away at their company and it's likely not to change anytime soon.

A lot of mid-level companies in particular are stuck right now. It's impossible to pinpoint exactly (due to many variables), but often it's contractors in the \$1 to \$2 million range. They need to grow in order to recover overhead and make some

money, but they simply don't have what it takes. Lack of financing might even make it impossible.

Identify who some of these contractors might be. Verify that they are still quality service providers with strong reputations and happy customers. Do they offer a service you currently don't? Do they cater to a customer group you currently don't? Do they currently cater to a similar customer base, so acquiring them will help you quickly increase market share? These are all valid reasons for acquiring another

company—but you need to identify what your goals are.

"I'd then send them a personalized letter," says consultant Dickran Babigian of Navix. "Let them know that you're interested in talking about how your two companies can work together—and take it from there."

Don't forget about the subs you work with, either. Whether they do pesticide applications or crack sealing, acquiring them might make sense for your company.

business plan to help ensure not only a successful launch, but also a two- or three-year period where you will strengthen and grow the business."

Here are some additional questions you should answer in your written plan:

- What kind of sales volume do you want to do in order to deem this service addition as worthwhile?
- What kind of profit margin do you want to earn?
- What kind of ROI period

are you hoping for with respect to the new equipment you have to purchase?

- What kind of ongoing training is going to be required of you and/or your employees?
- Will you need to institute any new forms, reports or procedures in order to offer this service? If so, what kind of training will be needed?
- Going one step further, will you need to invest in new software or other technological tools?
- What kind of marketing

investment will be needed?

Are you going to order all new business cards, invoices and letterhead? Are you going to re-letter your trucks, re-do your website and update all of your signing and other branding tools? Are your existing customers demanding the service so your existing salesmen can do upsales, or is it going to be a new market segment that may require the addition of a new salesperson?

Babigian says he would normally give a new department two or three years to sort itself out and shape itself up. The problem is that in today's market, you might not have that long. That's why it's important to explore all of your options when thinking about branching out. Diversification can prove to be the best thing for your business, but it could also be the thing that kills it if you misstep. ◀

What kind of expertise will you and/or your employees need to compete effectively and profitably in the new service?



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Business Strategies For Landscape Contractors



# Small Commercial **BIG** Commitment

Residential contractors must consider the following before attempting a foray into commercial maintenance.



**A lot of big, commercial maintenance contractors first got their start in the residential market. They “started small” with homeowners, and ultimately responded to demand from local businesses. That was 10 or 20 years ago, though. Expanding from residential into commercial requires some serious planning today.**

“The commercial market, especially in the Northeast, is so competitive it’s not even funny,” says contractor/consultant Gary Goldman. “So when a residential maintenance contractor tells me he wants to expand into the commercial market, I tell him that he must first stop and think about the process.”

### Margin pinch

Contractors also have to think about their margins. While the dollar volume can be considerably higher in commercial, the profit margin is typically much lower—and nowhere near where it used to be.

Goldman says numerous contractors have recently come to him for advice. Commercial clients the contractors have been servicing for years are asking the contractors to re-bid. “Some of the industry’s largest maintenance companies are coming in for one-third less in many instances,” Goldman says. “There is a little bit of a price war going on in the commercial market. The big guys are trying to buy market share.”

### Find clients with ATD

A contractor should identify those potential commercial clients that will respond favorably to the things that make him different. “A prospective customer that isn’t the big Intel or Pfizer type of client is more likely to have what I call ATD, attention to detail,” Goldman explains. “They want their property to look as nice as possible.”

This is important for contractors who’ve spent the majority of their careers serving residential customers. “Residential contractors are used to spending a lot of time doing finesse work,” Goldman says. “When you get into the commercial market, finesse work is neither here nor there. It’s usually about getting in, getting it done

and getting out. If you’re used to doing finesse work, and want to continue doing it because it’s what sets you apart, you have to find those commercial clients that will want to pay for it.”

Those clients do still exist, Goldman is quick to point out. It might be a smaller, locally owned facility such as a bank or retail store. “Residential contractors can still find their way into this market,” Goldman says. “It’s not easy—but it’s possible.”

### Re-tooling for small commercial

**Training.** You’ll probably have to spend time retraining your crews because some employees might not intuitively understand how to make the transition from residential to small commercial.

In small commercial, you bid a job at X number of hours a week. “Your guys have to be in and out in that time,” Goldman says. “They can’t spend extra time on that finesse work if it isn’t in the budget. Margins are just too tight in commercial maintenance to keep adding unbillable time to a property.”

**Insurance requirements.** Goldman says COI (certificate of insurance) requirements for a residential contractor have historically been \$1 million for liability and \$1 million for umbrella. Today he’s often seeing COI requirements ranging from \$3 to \$5 million for commercial contractors. This is quite a jump, so you have to understand what you’re dealing with in terms of cost so you can factor this overhead into your pricing.

It’s about exposure. “When you’re mowing Mrs. Jones’ yard, you can break her kitchen window,” Goldman relates. “When you’re working at a commercial property, can you break six car windows in three minutes of string trimming.”

It’s not just about protecting your own company either. The commercial client you are working for wants to see that additional insurance. They likely want to be named as “additional insured” on your policy. That all costs a lot of money—and the result is higher premiums which you will have to pay.

**Proactive service.** Commercial clients also tend to want more consultation. There is a lot more site reviewing that has to take place as compared to residential accounts.

“When I was in commercial maintenance, we walked a property once a week—over and above

the time the crew was there,” Goldman relates. “It didn’t matter how big the property was either. Then, once a month, we walked the site again—this time with the client. I had a standard form we used to check things off and jot down notes. This was great because it allowed us to not only let the client know that we really cared, but also pick up some additional work once in a while.”

Another thing Goldman did years ago, which more and

client. Nowadays it’s easy to email that kind of report.”

How often you do that is open for debate. Goldman thinks a weekly report, in most cases, is going to prove to be too much in today’s faster-paced environment. “It’s incredible how many things property managers and other business owners are looking at every day,” Goldman says. “If there’s something immediate that you feel needs to be done within the next week or sooner, by

gest thing is being responsive when the client needs you. “If you get into the commercial market, you cannot be the one-man show anymore,” Goldman says. “When a commercial client calls you, the name of the game is response time.”

When a commercial client calls you for an estimate, for instance, you have to show up right away. The market is just too competitive to dilly dally around at a pace that suits you.

Response time is just as

critical after you land an account. “When a facilities manager calls you because he wants something done, he expects to see you the next day,” Goldman says. “In residential, you might get away with saying, ‘I can be there in a week.’” Thus, if you’re running a small operation and don’t have any admin or sales support,

more commercial maintenance contractors are doing today, is send reports to clients. Goldman tells, “After a crew visited a property, the foreman had a standard form he filled out which detailed the work that was done. The foreman then left that report for the

all means reach out to the client with an email and/or call. Beyond that, I’m still a big fan of that end-of-the-month property walk-through with the client present. That’s really more effective than any report you could send them.”

**Quick response.** The big-

living up to the standards of commercial property managers can be tough.

WAC Corporation of Greenville in Greenville, NC, has been in the commercial maintenance arena for more than 20 years. Co-owner Corey Handley says the best advice he

Photo courtesy of Clean Scapes in Austin, TX



## 3 Silly Reasons to Try Branching Into Commercial Maintenance

The following are three of the top reasons residential maintenance contractors say they want to branch into the commercial market. While each can certainly prove to be true, they are by no means the slam dunks many inexperienced contractors expect them to be.

**I want to make more money.** Commercial maintenance often provides an opportunity to do a considerably higher volume, but margins are typically lower. So yes, you can “make more money” in commercial maintenance, but it will probably require a lot more work than you might think.

**I don't want to have to work so hard at drumming up business.** True, the commercial market is a bit easier to pinpoint. However, you need to be a darn

good salesman to outshine all of the other contractors you'll be bidding against. And if you do get the job, the customer service demands will likely be greater than anything you've ever experienced.

**I want to be famous.** Putting your trucks and crews on high-profile properties like office complexes and hotels sounds glamorous. Furthermore, one commercial account often leads to another ... then another. But along with that comes a steady flow of bad leads you also have to sift through. You become much more visible to entities like the IRS, OSHA, and your competitors, to name a few. Remember, “celebrity” often comes at a price.

can offer is to avoid surprises. “If something isn't in the specs that you think should be in there, bring it to the property manager's attention right away,” he says. “The property manager wants that property to look nice, but does not want any surprises or additional charges. You simply can't nickel and dime them in today's economy.”

Handley says it's also important to understand that if it rains, or you're short a crewman, or your mower breaks down, etc., it is *your* problem, not the client's. They don't want to hear your sob story—and shouldn't have to. “This is why a lot of owner/operators have a tough time in commercial,” Handley says. “They have a hard time reacting in these situations.”

A final piece of advice is to network with other service providers. “A commercial client does not want to spend

their time looking for several contractors to take care of all of their needs,” Handley points out. “If they ask you to clean gutters and you can't do it, you better find someone who does that you can work with.”

### Communication, relationship and making it work

Whether you're responding to an urgent voice mail, emailing a monthly report or conducting a property walk-through, the primary objective is to maintain a solid communication cycle. The big thing in commercial maintenance is building that relationship.

“Commercial work is relationship-driven, and the idea is to secure an account and then keep that account for a number of years,” Goldman says. “The longer you're on a job, the more efficient you become. That's when you can start making good money.”

If you're still thinking about trying to jump into commercial maintenance, Goldman says you absolutely have to know your numbers. When you know your numbers, you don't get off on the wrong foot by lying to yourself. For example, if you look at a property and your numbers tell you it will take two hours, don't try to convince yourself that you can do it in one.

“Bigger is not automatically better,” Goldman reminds when referring to the allure of higher-dollar commercial work. “Bigger is usually riskier, though. That's why your numbers have to be really solid. You must have total control of what's going on.” ◀



Gary Goldman has over 20 years of management experience in the Green Industry. Call 508-652-9771, send an email to [gmanaf@msn.com](mailto:gmanaf@msn.com), or visit [garygoldman.com](http://garygoldman.com).

# 3 QUESTIONS TO ASK YOUR BEST CUSTOMERS

Find out what makes you well-known, well-respected and impossible to fire—so you can use that information to close more new sales.

**If you want to maintain positive sales momentum this year, there are three essential questions you should ask your best customers. The answers will probably open your eyes to a few things, and will undoubtedly help you sharpen your sales and marketing strategy so you can maintain and continue growing your business.**

“Where does the majority of your revenue come from?” asks consultant Jeffrey Scott. “For most companies, the majority of business and referrals come from a handful of clients—maybe up to 30 clients at most. Pinpoint who they are—and call them prior to spring. I’m willing to bet that you’ll get new business from at least one out of every 10 clients.”

## **QUESTION 1: How did you hear about me?**

When asked what their primary source of new business is, most contractors point to “customer referrals” without a second’s hesitation. But when asked who or what specifically is providing the referrals,

there’s a bit of a pause.

“The first question you should ask your top customers is, ‘How did you hear about my company?’” Scott says. “If they saw your ad in the Yellow Pages, that’s great. But if they say someone referred them to you, politely ask for specifics. Was it a relative? A neighbor? Someone from the chamber? Can I get a name?”

Scott says the answers you hear will usually fall into one of a couple “referral buckets” which might include specific clients, friends, neighbors, clubs, the church, other contractors, etc. Your set of referral buckets will be unique to you. So when you do this exercise, you get a much clearer picture of where your business is really coming from. Then you can sharpen your sales strategy to work these areas more aggressively and maybe expand on them.

“I was consulting with a contractor who identified the local church and Rotary Club as his two main referral generators,” Scott relates. “We devised a plan to market to these groups more aggressively. We talked about doing some charitable maintenance work for the

church and through the Rotary Club. We talked about making sure he got as many people as possible from these two groups to sign up for his free email newsletter. And we talked about targeting the other four Rotary Clubs within his market area.”

The point is this: When you identify who your primary referral generators are, you want to reach out to them frequently, whether it’s a phone call, personal visit, email newsletter, or whatever. “Keep going back to them with a message that’s not sales-related,” Scott advises. “Be a teacher, giver and resource, and make them feel like they really matter to you.”

## **QUESTION 2: Why did you hire me?**

After you find out why a customer decided to inquire about your services, ask them what you did that gave them the confidence to hire you.

“Their answers will help you understand how effective your sales process is,” Scott points out. “Maybe they liked the fact that you got back to them quickly, your ideas were clearly explained or your proposal was clear, yet thorough.”

This question also helps you

find out what matters most to customers—and it stands to reason that you’d then make sure you and your staff are consistent and well-trained in these areas. “You need to know so you can repeat the process and win more customers,” Scott says.

### QUESTION 3: Why do you stay with us?

The final question you should ask your best customers is: “Why do you continue to use our services?” You could also ask, “If you moved next year and had to stop using us, what would you miss most about us?”

This question is critically important because it helps you zero in on what’s called your value proposition, which is composed of those things that make you uniquely desirable to your best clients. “Your value proposition is the most important part of your marketing message,” Scott reminds.

### A real-life example of how this works

How does all of this fit together? One contractor Scott consults with put together a list of his best clients. He then asked them the three magic questions—and came up with the following:

He identified that his best clients lived in certain zip code areas on large tracts of land.

When he called those clients up, he learned that they found out about him from referrals from one of the town volunteer clubs he belonged to, from his church, from a few specific contractors from other towns, and from direct marketing letters he mails out.

The clients told him they signed up with him because of his ability to answer questions with knowledge. This showed itself on his website, when he visited the client, and by how he wrote and presented his proposal—in person. The clients said they often chose him after having a bad experience with a less-professional company.

The one thing all of the clients would miss if they ever had to change companies is his staff, which is friendly, more knowledgeable and very service-oriented.

This contractor’s marketing strategy moving forward is to raise his profile much further with his local organizations, increase contacts with non-competing contractors, and increase his use of direct mail.

With his mailings he will target certain zip codes and

neighborhoods in order to build up density and take advantage of his current visibility with his trucks and job signs. His marketing message will stress his “knowledge and expertise,” along with his “professional, service-oriented” approach. He will talk about how everyone loves his key staff and the service they get. He will use client testimonials to support these messages.

Your strategy will be different from this contractor’s, because it will be based on what your clients tell you. The key is to get on the horn and call your best customers. Ask them the three magic questions, strengthen your relationships, and use their answers to sharpen your marketing message so you can sell more effectively. ◀



Jeffrey Scott is author of “The Referral Advantage” and “The Leader’s Edge.” He grew his landscape company to \$10 million and now consults with others on how to do the same.

Scott facilitates peer groups for landscape business owners who want to transform and grow their businesses. Visit [GetTheLeadersEdge.com](http://GetTheLeadersEdge.com) to learn more.

## 4 reasons you should call your best customers this pre-season

- > You’ll likely gather some hot new leads by asking for referrals.
- > You remind them that you’re alive and kicking, despite the hardships the economy is dishing out. More importantly, you are stable and will be there for them.
- > You show that you care about them and value their business. This gives you a chance to deepen your relationship and strengthen client retention and referrals.
- > It gives you a chance to gather some invaluable data to help you sharpen your marketing message in what continues to be a tough selling environment.

# Grow Sales Through Creative Joint Ventures

Team with other marketers to broaden reach and drive sales.

**Y**our strategic alliances, or “creative joint ventures,” can stretch far beyond the typical homebuilders, tree care companies and irrigation professionals in your market. Partnering with other local businesses—from carpet cleaners and car detailers to gas stations and grocery stores—can help expose your business to new customers, without forcing you to spend a ton of money on marketing.

Simply put, a creative joint venture is a collaboration

are also referred to as business-to-business agreements, team-approach marketing, product partnerships, service partnerships, or even plain old networking. Whatever one might call them, creative joint ventures are often quite effective at allowing companies to build both customer base and sales.

“Here’s what I really want landscape contractors to understand,” says Tony Bass of Super Lawn Technologies. “Some of the biggest and most successful companies across America have used joint ventures to expand their markets—to reach out to different types of people they would’ve never otherwise been able to effectively reach.”

Each entity is after the same target audience. By working together and sharing the marketing cost, each can more effectively reach a greater mass of potential customers.

## Identifying your opportunities

The easiest and foremost thing you should do is generate a list of all of your vendors. Aside from yourself and your employees, these are the people who benefit the most when you grow your business. They should want to partner with you.

Make sure your vendor list is complete. It’s not just the suppliers you buy equipment, parts

“Some of the biggest and most successful companies across America have used joint ventures to expand their markets to reach out to different types of people they would’ve never otherwise been able to effectively reach.”

between two or more entities. Each entity brings something to the table, and each expects to benefit from the collaboration. Creative joint ventures

A great example is how the motion picture industry often cross-promotes with popular fast food restaurant chains when new movies are released.

and materials from. It’s everyone you buy goods and services from—from your office supply retailer to your insurance agent to the local gas station where

you fuel up your trucks and equipment.

Once you've assembled your complete vendor list, identify those that make the most sense in terms of a potential creative joint venture. When does a given vendor make sense?

- Your products can be branded alongside one another because they are complementary to one another. For instance, a lawn care service and carpet cleaning service make sense. On the other hand, a cigarette retailer and health club probably don't.
- Your products target the same type of customer.

Once you identify a few realistic vendors, Bass says you have to ask yourself a few more questions about each:

- Are they a respected member of the community?
- Are you confident in their quality of work?
- Are you confident that their level of customer service is on par with yours?
- Would you have something to gain by partnering with them? For example, a relatively new company with little in the way of an established customer base might not be the best choice.

### Reaching out to potential partners

When you feel good about a potential joint venture partner, Bass advises you to reach out to them and say something like this:

"We enjoy doing business with you guys; you're a top-notch organization. I'm sure you'd like to continue to grow

## 3 Reasons Joint Ventures Work

- > They enable you to cost-effectively market your landscape services to a new group of potential customers.
- > They enable you to build goodwill among your existing customers by helping them receive discounts on other goods and services they need.
- > They enable you to create a new revenue source by using your customer list to market other companies' products and services—and you take a sales commission.

your business, and we certainly would like to continue growing ours. We'd like to consider a joint venture relationship where I'd endorse your company to our landscape customers, in exchange for you endorsing our landscape services to an equal number of your clients."

### Create a new revenue source, and lots of goodwill

More established contractors might also want to use a creative joint venture to generate newfound cash flow—especially during the slower months of the year.

"If you have a good customer list built up, why not offer to endorse another business and market their products or services to your customers?" Bass asks. "You can set up the agreement so that you receive a percentage of their sales to your customer

base. Not only are you creating a new revenue stream, but you're creating a tremendous amount of goodwill with your clients because you're helping them get a good deal on a product or service they likely need."

Bass reminds that it's important to open your mind to the countless possibilities that exist for forming creative joint ventures. He offers the following example from his landscape contracting days:

"One of the best marketing ideas I ever had was partnering with a locally owned grocery store that also happened to have gas pumps out in the parking lot. That's where I bought a lot of the fuel for my landscaping operation. I told the owner of that grocery store that I'd like to endorse their meat department—by promoting an offer specially designed for my clients. At the time, my company was sending out a monthly newsletter to around 1,200 people. That's where we'd feature that special promotion. The grocery store owner loved it—and gained several new customers. More importantly to me and my business, my clients appreciated the fact that I was looking out for them. It was another low-cost way for me to set myself apart and help foster customer loyalty." ◀



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# Saving Green and Going Green by Choosing Orange



The rising cost of gasoline is a constant topic for the media and consumers, but for gardening experts and arborists, it's a major topic for concern. Fuel is one of the top factors affecting a landscape company's bottom line; and across the nation, landscaping companies are making the switch to fuel-efficient power equipment and the Battery KombiSystem lithium-ion line from STIHL in order to help save money on fuel costs.

## STIHL cuts fuel cost

In the landscaping business, escalating fuel prices can cause managers major headaches. For Hugo Gonzalez Jr. at Mission Landscape Companies, Inc. in Irvine, Calif., gas is the second largest expense, and he chooses STIHL products in order to offset those costs.

"We see a major decrease in fuel use when compared to older products," said Gonzalez. Their use of the STIHL BR 500 and BR 550 backpack blowers has resulted in a 20-25 percent decrease in their fuel costs.

Gonzalez appreciates the savings but values the quality even more. "I've been in the industry for about 15 years, and STIHL is superior to anything else I've tried out there. And still, their pricing is reasonable." His

equipment inventory includes eight different STIHL products, and he believes in them.

Christy Webber Landscapes in Chicago operates roughly 30 to 35 mowers a day with approximately 100 vehicles on the road. This causes Christy Webber to recognize the simple truth: "Gas is an expense that comes off your bottom line. Any way you can save gas off your bottom line, the more money you make." In the 23 years her company has been in business, Webber has made adjustments according to this principle. She uses hybrid vehicles for her management staff, and is attempting to incorporate alternative fuel options for her dump truck fleet. Webber has also installed GPS to manage route and avoid idle time. Her choice to

\* The STIHL Inc. "Caring for Nature" seal identifies its powered products and oils that are more environmentally conscious. For powered products, the seal signifies that they produce zero or low exhaust emissions. STIHL Inc. defines "low exhaust emissions" as being cleaner than EPA and/or CARB exhaust emission standards.



Mission Landscape Companies, Inc.'s use of STIHL BR 500 and BR 550 backpack blowers have resulted in a 20-25 percent decrease in fuel costs.



include the STIHL HSA 65 lithium-ion hedge trimmer and STIHL string trimmers was a logical next step.

Ryan Walsh is a student at North Carolina State University, majoring in Turf Grass Science, and owns Capital City Groundskeeping in Raleigh, N.C., which is rapidly growing with up to four employees. He points out that choosing fuel-efficient equipment is "not just a matter of going green; it's about saving green!" In addition to careful route planning, he uses STIHL products for nearly every aspect of his landscaping and believes that the fuel-efficient line is worth the investment.



"The startup cost is more expensive, but I calculate it should pay itself off within a year," Walsh said. "They're quieter, more fuel-efficient and they last a long time. The STIHL HSA 65 cordless hedge trimmer is just as good if not better than the gasoline-powered version, and the BR 600 STIHL Magnum® blowers last years and years." \*\*

In Eagle, Idaho, Rich Talbert of Solar Green Lawn Care says "I have the rapid charger, so I'm ready to go in just 45 minutes, and the battery run-time is extremely impressive." He is able to complete five properties on one charge with the STIHL FSA 85 lithium-ion straight-shaft professional grass trimmer, the HSA 65 lithium-ion hedge trimmer, and the BGA 85 STIHL blower that can all run on one easily interchangeable battery.

## A marketing tool that feels right

Talbert, like many landscapers, isn't just interested in the direct savings he realizes with the fuel-efficient product line by STIHL; he's equally interested in the business environmental responsibility brings in. "I'm often hired because of my environmental practices, and this equipment is very much in line with my philosophy. I feel good about operating it and presenting it in front of my customers." In keeping with the philosophy of environmental responsibility, STIHL has partnered with the RBRC (Rechargeable Battery Recycling Corporation), and their batteries can be returned for recycling at participating STIHL servicing dealers ([www.call2recycle.org](http://www.call2recycle.org)).

Walsh points out that a lot of landscaping companies are going green these days. "Certain customers really like that," he said. "You get a lot of special requests as a result of green practices."

"Going green is a good marketing tool," said Webber, whose environmentally responsible approach to landscaping helps bring in new business. "I'd like to see municipalities supporting further green initiatives and sustainable practices."



## STIHL delivers

In all, the fuel-efficient power equipment and lithium-ion line by STIHL offers many of the features landscapers are looking for. According to Talbert, "The battery-powered line is very quiet. It's got all the power I need to enable me to do my work." Of all the products Walsh has tried, "STIHL just does it best."

For those interested in saving money on fuel use, while being environmentally responsible, STIHL has a full spectrum of fuel-efficient products which includes a Caring for Nature line, which produce zero or low exhaust emissions (cleaner than EPA and/or CARB exhaust emission standards). In the midst of a popular environmental movement and unpredictable gas prices, STIHL provides equipment that cuts costs and attracts business.

**To learn more about the full line of low-emission and zero-emission STIHL products, please visit [STIHLUSA.com/green](http://STIHLUSA.com/green).**



\*\*It is recommended that the user follows the manufacturer's suggested maintenance schedule as indicated in the product-specific instruction manual.

# Marketing to Millennials

Convincing this next wave of homebuyers to purchase your goods and services requires a more personal approach that replaces slick selling with honest dialogue.

**The Green Industry blew up on the backs of Baby Boomers—a massive market that continues to represent loads of opportunity for landscape contractors. Going forward, though, Generation Xers will have to be the main driving force behind a housing recovery. Not to be forgotten are the Millennials—a young, hip, tech-savvy consumer segment that will force a change in the way landscape contractors and other service providers market and sell.**

Let's back up for a second. What are Generation Xers and Millennials? Definitions vary, but generally speaking:

- Gen Xers were born between 1965 and 1976, putting them in the 36-47 age range—an immediate target market for landscape contractors.
- Millennials were born between 1977 and 1998, putting them in the 14-35 age range. Thus, consumers in their late-20s and early-30s also represent an immediate market opportunity for landscape contractors.

## How Millennials are different

Millennials share many similarities with their elder generations. However, there are several distinc-

tions which marketers must take into consideration.

Millennials are a more ethnically diverse group. For instance, roughly 61% of adults *under* the age of 30 are white, compared to 70% of adults *over* the age of 30.

Technical literacy is the characteristic that most distinguishes the Millennial generation. They grew up on computers and are avid mobile phone users. While 59% of Americans use text messaging, 88% of Millennials do. Millennials are also much more likely to engage in social media. Furthermore, unlike with previous generations, the Internet rivals TV as the main source for news.

Millennials aren't as openly religious, and are less likely to serve in the military. They value self-expression and are highly analytical. They are arguably the most educated generation ever.

Millennials are more likely than previous generations to identify as liberal, even though they are also just as likely to identify as conservative. Generally speaking, they are much less critical of the government than older generations. In fact, many look to the government to play a more active role in solving societal problems.

## How Millennials are not so different

There are other characteristics of Millennials that are *not* so different from Gen Xers or even Baby Boomers. For instance, Millennials are interested



in “going green,” but not any more so than older generations. Likewise, Millennials have a yearning to volunteer and give back to the community. They respect their elders and believe that they have a responsibility to care for them (i.e. parents). Family matters most, and being a good parent is what they want most out of life.

Millennials are a bit more wary of human nature in general, but are no more suspect of “big business” than older generations. In fact, a slightly higher proportion (nearly half) believes that large corporations do a decent job of balancing profit and public interest. Millennials are no more inclined to participate in “consumer activism” via boycotts, etc. than older generations.

Millennials do place a high value on work ethic, but view it differently than Xers and Boomers. For instance, Boomers say work ethic is the top defining characteristic of their generation. Xers say it is the second most defining. Millennials do not list work ethic in their top five. (Both Millennials and Xers cite the use of technology as their most defining characteristic.)

### How Millennials make buying decisions

Think about some of the traits we’ve been outlining. It’s easy to see that Millennials are prolific researchers. They get online and peruse websites. They initiate and/or participate in social media discussions about a given product, service or brand. They talk to their friends.

Corporate reputation and/or brand name are slightly less important to Millennials, although they do expect companies to give back to society in some fashion.

Millennials do not respond very well to “slick salesman” tactics. Rather, they desire a tailored approach and personal touch. They want to be involved in the process and help the person or company

they are buying from to succeed.

### What you can do

Millennials demand fast, reliable service. Responding to customer inquiries as quickly as possible must become a priority. If you have a “contact us” feature on your website, you have to check email every day and/or night (at least) and respond promptly.

Speaking of websites, you better have a nice one these days.

Get involved in your community with donations, special projects, educational efforts, etc. This scores big points with Millennials—so be sure to get involved, and then promote your community outreach.

Millennials respond well to group involvement. Consider programs such as referrals clubs and loyalty incentives. Testimonials are as important as ever. In addition to the standard written testimonials, talk to your happy customers about doing video testimonials which you can post on your website and social media pages.

Speaking of social media, this is where Millennials are—so you have to be there too. Many contractors have established successful Facebook pages. Twitter accounts are a close second. LinkedIn also can come into play. YouTube channels are underutilized by landscape contractors. Consider all of these approaches.

Most importantly, maintain a consistent message. Inconsistency in message, reliability and overall professionalism will lose the trust of a Millennial. Millennials do like the “sizzle,” but it can’t overshadow the “steak.” ◀

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Sources: Kleber & Associates, Pew Research Center



# HOW TO SELL WITH YOUR TABLET COMPUTER

Bring presentations to life through pictures, video, product guides and more.

**T**ools such as PowerPoint presentations can really add some sizzle to your steak in certain selling situations. Tablet computers such as the iPad present the latest opportunity for landscape contractors.

“Using technology in general is something the Green Industry is more and more interested in,” says Jason Cupp, a business consultant and former landscape contractor. “This is especially true when you’re talking about pushing the sales process forward in a new and unique way.”

## Bringing sales presentations to life

When selling landscaping services, particularly design-

build, it’s difficult to explain to the customer what they’re going to get. “It’s a challenge to get someone to pay for a Mercedes without first allowing them to test drive that Mercedes,” Cupp relates. “You can stand in someone’s backyard and say: ‘Here’s where a water

fountain is going to be, here’s an area of lush turf, here are some perennials,’ and so on. But it’s not always easy for the customer to visualize it.”

Bringing the project right to the client is the biggest advantage of selling with a tablet computer. Sure, you can do

## 4 Things to Consider Before Jumping on the Tablet Presentation Bandwagon

1. Will you be creating your presentation with PowerPoint or do you plan to use a specific app such as Keynote (from Apple)?
2. Do you plan to give a “table-top” presentation or connect to a projector or HDTV to show it on the “big screen”? If the latter, do you have the knowledge and necessary accessories to make it happen?
3. Do you have additional salespeople who will also be giving tablet presentations? If so, how many tablets do you need, and how much training will be involved?
4. Will presenting on a tablet add value for the customer? If not, why bother?

## Other Ways a Tablet Can Help

Aside from assisting in sales presentations, a tablet computer such as an iPad can help you in other ways.

For starters, if you buy the right kind of tablet and use an approved wireless service provider, you can log onto the Internet from just about anywhere—placing even more sales tools at your fingertips. Jason Cupp offers the following examples:

GoiLawn is an online property measuring service that combines high-resolution photographs, detailed property information and powerful tools in an easy-to-use application. You could log on from your truck on the other side of town, and offer a prospect an estimate in minutes.

Real estate apps such as Zillow can help you determine the approximate home values in certain neighborhoods you are thinking about marketing to.

A White Pages app allows you to type in a certain address, and then get a list of people who live in that area. Perhaps you know somebody who can help you get your foot in the door with a prospective client.

Secondly, there's the back end of your business to think about. "I run my entire consulting business off of devices like my iPad," Cupp shares. "In the landscaping world, you can invoice clients from a tablet. Depending on the software you're using, you might even be able to accept credit card payments.

"The comprehensive way a tablet can make your business nimbler makes it an investment worth looking into," Cupp continues. "You'll be more efficient and quicker to market. But you have to embrace the technology—because your tablet won't do it for you."

the same type of thing with a laptop computer. But the enhanced mobility and touch-screen usability of a tablet, not to mention its trendiness, make it an effective tool when selling to Millennials, Generation Xers and Baby Boomers alike.

### What to include

There are two ways you can go: 1) create a PowerPoint presentation and load it onto your tablet, or 2) simply load a variety of files onto your tablet

and call them up one by one as you're speaking with the client.

What kind of files should you consider loading?

"Photos have and always will be a great way to tell a story," Cupp says. Photos of finished projects are a must, generally depicting the before-and-after. Photos of your facility, and key managers and foremen are also something to consider.

Video can be even more effective than photos. Consider videos of your crews working on

### WHAT'S A TABLET COMPUTER?

A tablet computer such as an iPad is a complete mobile computer that is primarily operated by a touch-screen. It's larger than a smart phone but smaller than a laptop.

projects. Consider videos of finished projects; there is more impact when a client can see and hear that waterfall running, for instance. Client testimonials are also very powerful.

Product information is another good one. "When I was in design/build, we had product PDFs of all of our hardscape material," Cupp recalls. Having that type of information on your tablet can prove to be helpful. You can quickly and easily reference it and/or share it with a client. You could also consider lighting products, plant material, irrigation hardware ... and the list goes on.

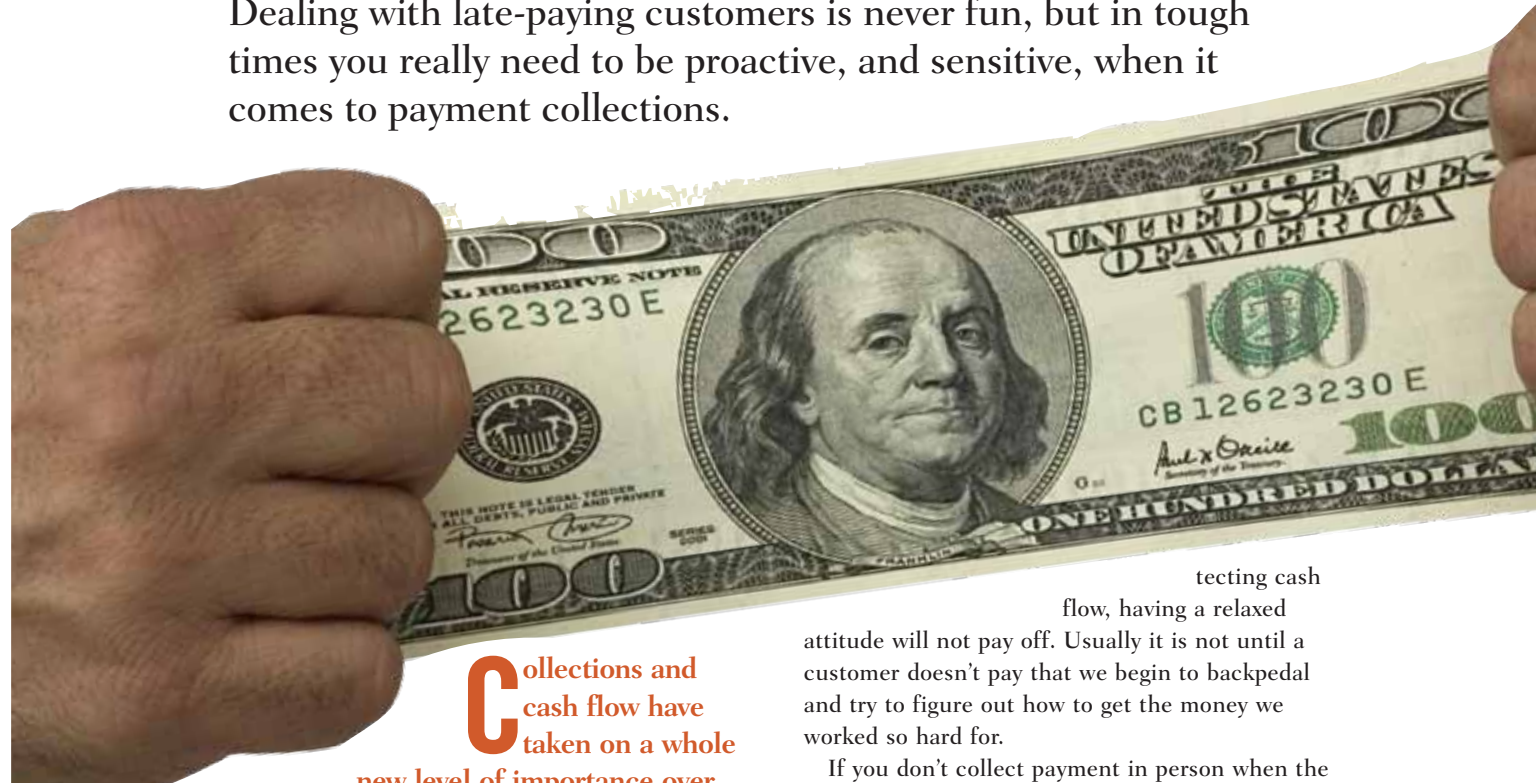
In today's market, it's all about the "do differently." Using a tablet such as an iPad to help you sell is definitely something *different*. It's also efficient, effective, and capable of helping the consumer to view your services in a way that will make them more likely to buy from you. ◀

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Jason Cupp is a Kolbe Certified Growth Consultant, Team Building Expert and Motivational Speaker. As a former CEO and past president of PLANET, Jason's diverse knowledge and experience, combined with a relational and approachable style, have allowed him to intersect with countless individuals, businesses and organizations. Email [jason@jasoncupp.com](mailto:jason@jasoncupp.com) to contact him.

# HOW TO COLLECT From Late-Paying Customers

Dealing with late-paying customers is never fun, but in tough times you really need to be proactive, and sensitive, when it comes to payment collections.

A close-up photograph of a hand holding a US one hundred dollar bill. The bill is held horizontally, showing the portrait of Benjamin Franklin. The serial number CB 12623230 E is visible. The hand is on the left side of the frame, and the bill extends towards the right.

**C**ollections and cash flow have taken on a whole new level of importance over the past couple of years. You can save a lot of money with basic business practices such as open lines of communication, billing customers on time, appropriate contracts and change orders, purchasing the right insurance policies, gauging customer satisfaction with surveys, and thoroughly interviewing employees.

Here are some other best practices from SolidContract.com.

## Due upon receipt

When it comes to collecting payments and pro-

tecting cash flow, having a relaxed attitude will not pay off. Usually it is not until a customer doesn't pay that we begin to backpedal and try to figure out how to get the money we worked so hard for.

If you don't collect payment in person when the job is done, send an invoice the day you complete the work. How long do you wait for your customer to pay his bill—30 days, 60 days? If you're waiting that long, chances are you'll experience a reduced cash flow or even a cash crunch.

All invoices should be due upon receipt, with the words "due upon receipt" highlighted. If you don't receive payment in 14 days, call your customer. If you wait to make this call, your customer will think you're sloppy, disorganized, and don't care about getting paid. However, the phone shouldn't be a collections device; it's a customer relations tool. For example, if you haven't received a check in 14 days, inquire, "Mrs. Smith, I noticed we haven't received your payment. Is everything satisfactory with the service?"

Placing follow-up calls can help you retain customers and keep them happy, making you less stressed. Don't underestimate the value of strengthening relationships with your customers. Talk to them every day on larger jobs, and at least once a month on smaller jobs like mowing. Listen to your customers—they can tell you a lot.

### The best offense is a good defense

Even before you get to the invoicing stage, there are vital questions you need to ask yourself as you begin every new job. First and most importantly, do you have a signed contract that states what you are going to do, what materials will be used, and what the timeframe is for completing the work? Without a signed contract, you can find yourself in trouble very quickly and, at that point, all the reactive measures in the world can't offer you much assistance.

Secondly, if anything changes from the contract, get a change order. How many times have you gotten to the end of the job to find yourself fighting for the \$2,500 in extras that the customer approved on site but not in writing? If the customer asks for something outside the original contract, stop the job and get a change order—and get it signed.

### When a customer doesn't pay

Unfortunately, even the most proactive contractors run into customers who refuse to pay for work that's been completed. Unfortunately, there aren't many cost-effective options for contrac-

tors to collect debt. Collection agencies take a chunk of the money they collect for you. Attorneys' fees aren't cheap. The court system is time-consuming and ineffective, and liens are useless unless the customer tries to sell or refinance their home.

The key to collecting money from customers is to do it without damaging the business relationship. First, find out why the customer is late with the payment. Is he or his company falling on hard times, or does he simply have no intention of paying?

If the customer is feeling a temporary financial pinch, talk to him (for a company, talk to the president or owner). Tell him you are willing to be patient, but that you expect to get paid as soon as possible. Ask for partial payment as proof of good faith. If your customer plans to file for personal bankruptcy or if the business is folding up, move swiftly to try to collect something before all assets vanish.

### Avoid late-paying customers

Landscape contractors can consider tools like SolidContract.com to help protect their businesses by avoiding non-paying customers, as well as collecting on past due accounts in a professional, cost-

effective manner.

SolidContract.com lets you find out which customers have failed to pay contractors so you can make informed decisions

## How the PROs are doing it

"We leave a slip after each visit. This helps us get paid a lot faster while also removing any uncertainty over whether or not we were there that day. They see the slip, see the freshly cut lawn, and think, 'Guess I better write out a check.' Many of our customers do, and we're already paid before we're back on their property the following week. I've been doing this for more than 20 years and it's worked great."

*Henry Flynn, H.C. Lawn & Maintenance, Thomaston, CT*

about who you work for. It's a credit reporting agency for contractors. By maintaining a database of consumers who are slow to pay or don't pay at all, SolidContract.com allows contractors across the country to find out who hasn't paid contractors in every profession from lawn care to roofing to oil delivery. The names of non-paying customers stay in a database for up to seven years.

Quality work, customer service and communication can go a long way in tight times. But, most importantly, it can keep your business prosperous. However, smart businesspeople always consider new and different ways to run and protect their business. Consider all of your available options to protect your business, and look ahead to the future to anticipate your needs. If you serve your customer well, proactively protect your business, and have the right tools in place, you can avoid a cash crunch, even in today's economy. ◀

# 6 STEPS to Lowering Worker Comp Costs

**F**or landscapers all over the United States, the premium of workers' compensation insurance is a large expense that's often required by state laws. In other words, there's not much you can do about it. Or is there?

## ① Understand your state's laws

Not every state requires businesses to provide workers' comp. In fact, most states only require businesses to provide

still beneficial for landscapers to avoid prosecution from injured employees who waive their rights to file damage lawsuits against the employer when receiving workers' comp benefits.

The premium for workers' compensation insurance is designed to provide sufficient funds to not only pay for benefits to the injured employees, but also to operate the system that delivers those benefits. It is a pre-funded insurance system, which means that premiums are determined before the policies are issued, and that premiums are intended to meet all future

organization called the National Council on Compensation Insurance (NCCI) to advise their insurance regulators on the appropriate premium rates. Insurance carriers within those states are required to use the state-mandated rates, along with the roughly 600 different classifications for employees.

For landscapers dealing with workers' compensation insurance in one of these 40 states, not to mention many of the remaining states, I recommend the following five steps to avoid overpayment.

## ② Use correct employee classifications

Each of the 600 classification codes for employees has a specific rate. Ask your insurance agent for copies of the official descriptions for those used in your policy—and verify that they are correctly assigned.

Many states allow a business to use multiple classification codes; your employees who fulfill clerical duties will have a substantially lower rate than those out on jobsites. For landscapers, most states use code 0042 for landscape installation

Most states use code 0042 for landscape installation duties and the code 9102 for lawn maintenance duties. It is common for lawn maintenance employees to pay a double rate when misclassified in the installation code.

it when they have more than three employees.

Even when not required by law, offering workers' comp is

claim payments made under those policies.

Nearly 40 states have designated a non-profit statistical



duties and the code 9102 for lawn maintenance duties. It is common for lawn maintenance employees to pay a double rate when misclassified in the installation code.

### ③ Use correct payroll numbers

The rates on workers' compensation policies are multiplied by the premium basis, which is commonly referred to as payroll, but the correct term is actually "remuneration". There is an important difference between these terms because remuneration excludes some pay received by employees; this needs to be removed from the premium basis on your policy.

Severance pay is not included along with overtime wages above the regular amount of pay.

Corporate officers can be excluded from coverage, and their payroll should also be completely removed. If not excluded, partners and sole proprietors often have a fixed amount of payroll and other executive officers will have a maximum amount. Find out the specifics in your state laws.

### ④ Be proactive with claims

The best long-term approach to saving on workers' compensation premiums is to minimize the number of employee injuries, along with the costs associated with each injury.

Most states utilize an experience rating technique that allows premiums to be adjusted higher or lower based on claims history. To take advantage of



these systems and lower future premiums, it is important to partner with an insurance carrier that efficiently handles claims and controls claim costs.

Report claims immediately to your carrier to minimize the employee's time off work. Offer light-duty jobs to injured employees to minimize their loss of wages. Use techniques to prevent injuries—and make safety a priority for your business operations.

### ⑤ Obtain available premium credits

In some states, there are discounts of 5% and greater for having a drug-free workplace. There are also standard discounts available for utilizing a written safety program.

In states without these standard discounts, many use "schedule rating", which allows an underwriter to apply premium discounts for factors such as safety practices and management experience that are not otherwise reflected in the claims experience. Find out what credits are available in your state and seek to

obtain the associated premium discounts.

### ⑥ Analyze other premium discounts

To allow insurance carriers to compete on price when rates are pre-determined, many states allow specific forms of premium discounts based on claims.

Landscapers with larger premiums may be offered dividend plans, which allow funds as high as 50% of the premium to be returned at the expiration of their policies for no employee injuries or good claims results.

Retrospective rating plans allow businesses to receive discounts for lower claims, but claims within a policy period can adjust the premium amounts and result in higher premiums. It is important to ask questions and understand what premium discount options are available to your landscaping business. ◀

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Thanks to Drew Roberts, an insurance agent who specializes in providing business insurance to Florida landscapers. Visit [bearwiselandscapers.com](http://bearwiselandscapers.com) for more information.

By Gregg Wartgow



# PUGH'S Goes Paperless

Memphis-based maintenance company is one year into its conversion to a near paperless operation. The only thing the owners are asking themselves is: Why didn't we do this before?

**M**ichael Pugh, co-owner and CFO of Pugh's Earthworks based in Memphis, TN, says he first began thinking about transitioning to a paperless office back in 2005. Since then the business has grown dramatically. Three additional branches have been opened. The volume of paper being generated daily—not to mention the inefficiencies tied to the handling of all that paper—soon spiraled out of control. Pugh reached his breaking point in 2010.

## Company at a Glance

The business was founded by Bill Pugh and his partner in 1976 as Pugh's Flowers. Bill passed away in 1987, and his wife and three sons—Michael, Tim and Mark—bought out the partner and took over the business.

At that time Mark was still in high school—mowing residential lawns on a part-time basis. In 1992 Michael and Tim asked Mark if he wanted to establish more of a commercially focused landscape maintenance business, piggybacking off of the name of the family floral business. Pugh's

Earthworks was born.

Today the company is three times the size of the retail floral operation and employs 155 people during peak season. The headquarters is in Memphis. Additional branches exist in Little Rock, AR (2005), Jackson, MS (2007), and Nashville, TN (2009). Roughly 90% of revenue comes from commercial maintenance contracts—which include basic mowing and maintenance services, irrigation system service, lawn care, horticulture maintenance and tree trimming.

“We were simply out of room at our main facility in Memphis,” Pugh recalls. “We already had one entire office stuffed full of filing cabinets. Additionally, we had well over 100 three-ring binders with work orders from the past couple of years. We’re talking about the type of paperwork you don’t need to put your hands on every day, but still important enough that you don’t want to shred it. I didn’t know what to do. I was looking at having to pay someone off site to store our paper. That was tough to swallow.”

Pugh happened upon a company called Cabinet NG at a QuickBooks user’s conference. He learned about a product called CNG-SAFE, a complete document management and workflow software product. His curiosity over the concept of paperless was revitalized.

### Identifying your needs

Pugh wishes he would’ve heard of CNG-SAFE in 2005

when he first started thinking about going paperless. He spent the next three years blowing upwards of \$25,000 on industry-specific management software that didn’t accomplish what he wanted it to. “We even toyed with the idea of having a software developer create

something for us,” Pugh says.

The frustration was that many of the leading software products are geared toward scheduling. “We still like to give our crews that printed job sheet,” Pugh says. “Then they have something in front of them that they can refer to and write notes on. They’re hot and dirty, jumping in and out of trucks all day. I’m not really in a hurry to give them expensive smartphones or anything like that.

“The problem I have with scheduling software is that things change all of the time,” Pugh continues. “The weather turns bad, a crew finishes up early on a property, or whatever. You go to all that trouble to type your schedule into the computer, and then it all changes. We end up spending way too much time adjusting schedules in the computer.”

What Pugh says he needed was something that simply allowed his office staff to take a

job sheet (with foreman’s notes) and store it electronically. He also wanted something that would streamline communication. “If our branch manager in Little Rock sold a contract, for example, the main office in Memphis needed a copy, as did our manager in charge of annual flower orders,” Pugh relates. “Before it was all said and done, we had to make seven or eight copies of this contract so all of the necessary people had one. Keeping track of all of this was becoming a logistical nightmare.”

### Steps to implementation

Pugh decided to begin the conversion to paperless in October 2010. This was a good time of year because things start to slow down a bit. Furthermore, his staff could utilize a dual system for those last three months of the year in order to get their feet wet. In other words, they began scanning all documents but also retained the paper copies. “We already had paper copies of everything for the first nine months of the year, so this seemed to make sense,” Pugh says.

It also seemed to make sense to refrain from converting all papers from the previous nine months to paperless. “How much time do you want to spend doing that?” Pugh asks. His main goal was to stop the accumulation of paper documents from that point forward. Plus, much of what was already on file would be reaching the end of its useful life soon. So Pugh decided to leave all of that alone.



As the company's CFO and a self-described "computer geek," Pugh took it upon himself to lead the conversion effort. He decided to go all-in and purchased the complete package of software from Cabinet NG, in addition to some hardware and a couple of scanners. He also purchased a new server from another vendor. The total investment was around \$25,000.

Training went rather smoothly. "The software is pretty intuitive," Pugh says. "Both myself and our office manager picked it up pretty quickly. Actually, the other managers who have access to it also caught on pretty quick."

Pugh opted for a five-user license. Three are "static"—Pugh, the office manager (Kaye Redus) and the customer service representative (Jennifer Houston)

are constantly using the system. Two additional licenses are then classified as "concurrent"—meaning no more than two people can be using the system at a given time. Pugh says this enables other key managers to jump on and off the system periodically if they need to check on something.

### How they are saving money

Now more than a year into their paperless transformation, Pugh says the company is saving money in several ways.

They've quit printing tons of paper, saving thousands of dollars on paper and printer ink.

They've been able to convert

that unproductive storage room into a productive office, saving the company more than \$700 per year in square footage.

The customer service representative—who previously spent a significant amount of her time searching for paper files tucked away in cabinets and three-ring binders—now has more time to do what she was actually hired to do. "Being proactive in performing outstanding customer service is so important right now," Pugh reminds. "It's great to have someone above and beyond the account manager or foreman that's checking in with the client. Now our CSR has time to do that."

Pugh's is now emailing invoices to roughly 80% of their customer base. This is saving at least \$10,000 in printing costs and postage.

More efficient logistics is another way the company is saving, though it's difficult to put a dollar amount on it. "The CNG SAFE software has a module that interfaces with Microsoft Outlook," Pugh relates. "When you email an invoice to a client (as a PDF), CNG SAFE automatically saves a copy in that client's file on the server. So now we have one repository—an electronic filing cabinet on our server—which only authorized people can access. We no longer have a situation where certain information is stored on the server while other information is on a manager's laptop, for example. Our goal is to store everything related to a given customer in that given customer's file on our server." ◀

## Favorite Features

Michael Pugh says his company's paperless transformation is constantly evolving. "This software can do so much. One thing I wish I would've done differently is attend a CNG SAFE user's conference right away. I didn't get to one for nearly a year. The earlier in the process you can attend one, the better off you'll be."

In that first year, though, Pugh and his team came to appreciate two features of the software in particular.

**Workflow Management.** When a document is scanned, you can create a rule for it. For example,

you could have that document automatically emailed to certain people.

**QuickBooks Integration.** This comes in especially handy with vendor invoices. When an invoice is scanned, there are some fields you enter the essential data into. That data then flows directly into QuickBooks. "We now have some of our suppliers, such as John Deere Landscapes, that are emailing us our invoices so we don't even have to go to the trouble of scanning anything," Pugh says.

# 5 SIMPLE STEPS TO MORE PROFIT

**T**he owners of most successful companies are willing to share information that will help employees do their jobs better. Owners also share information that helps employees understand and communicate about the word *profit*.

When a company decides to start sharing certain financial information, and is willing to remain patient long enough for employees to start trusting the information, an important step in the life of a company happens: People learn to make decisions by considering how it will impact the company's ability to make money.

► **Get yourself up to speed.** Company owners and leaders must first understand the numbers themselves. Do whatever it takes to increase your awareness through a class or a good sit-down conversation with your CPA. Choose to become more aware of your costs and how you are estimating your work. This may be the toughest step, but also the most important.

► **Begin asking questions of your team.** For

example, "How much would you guess we spent on insurance, gas, or the hundreds of other costs that surround a company?" Asking specific questions about things employees are aware of helps everyone begin to understand that, "gas is not free just because we get it out of the tank in the yard."

► **Get visual.** As your team starts to become more aware of the costs of doing business, consider tracking some of these costs on a graph or chart where everyone can see progress being made. Everyone loves progress, and you will be amazed by how your crews will manage themselves once they know what is expected—and that it is being measured.

► **Put a cost to "on time."** As you continue to develop this understanding of costs and numbers, as well as a sense of trust throughout the team, you can challenge employees to save dollars by saving time.

Do some calculations with your team to discover what five fewer minutes spent in the morning would equate to, or what one more job for the day adds up to. It becomes very apparent to the team that minutes add up quickly, and depending on how we manage

these minutes, it can have a negative or positive impact on the company.

► **Be willing to share in the rewards, but don't make bonus systems too complicated.** Just as you get into business to make money, your employees feel the same way. There are two mistakes that can be made in creating a bonus system or sharing rewards:

- Offering a bonus too early in the process before the crews know what they can do to earn the bonus.
- Waiting too long and making the rewards process too complicated.

Keep it simple and allow people to get some early wins from it. Base it on something as simple as getting out of the gate quicker in the morning or meeting the budgeted hours on a job. ◀



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# HOW TO Make Conferences Pay Off

Identify your company's biggest need, and then attack it.

**C**ontractor Brad Groff has been going to trade shows and conferences for years. He's learned that without a clear plan of attack, attending conferences can amount to nothing more than additional overhead for your business.

Groff keyed the GLTE Conference in Grand Rapids, MI, back in early January. His session, "Get the most out of your conference," was designed to help attendees figure out what their focus should be—so they would be more likely to take what they learned at the conference and parlay it into something actionable in their business.

"Most business owners go to a conference in hopes of finding that golden nugget that will change their life," Groff says. "They hear a good speaker and get all fired up. They share that excitement with their staff. But the staff doesn't react the way the owner would hope."

There are a few reasons why:

- This same scenario has unfolded before. The owner is inspired and has a brilliant idea. However, there is no real plan of attack, no accountability, and ultimately nothing comes of it.
- Too many ideas are being thrown out there at once.

The odds of successfully implementing any of them are low—because of a lack of focus and accountability.

- Some of the ideas are simply not good ones—due to bad timing or lack of resources to properly implement them, or maybe just in general.

## Focus on what needs to be focused on

Groff says there are four main areas of your company you need to think about: finances, marketing, sales and operations. Scrutinize each of these four areas to determine which needs the most work *right now*. Discuss this with your key managers to make this determination.

## Familiarize yourself with the conference

Once you've identified your focus, pull together any additional staff that will be attending the conference with you. Take a look at the schedule of events. Identify those seminars and workshops that will help you in your area of focus.

## Attack it

Groff advocates having everyone attend the same workshops. That way nothing will get missed—and you'll have a few different perspectives on a very important topic.

"Most companies can't implement more than one or two big

changes at a given time," Groff reminds. "So why have people running in all different directions? It might work if you're a really big company and have people you can put in charge of specific initiatives. But if you're an average-size company, it's probably best to focus on one thing at a time."

## Keep attacking it

After the conference is over, don't throw those workshop handouts on your desk and ignore them for the next three months. "We actually spent a couple of hours on the last night of the conference discussing what we'd learned," Groff relates. "We confirmed that the proposed idea was something that made sense for our company and matched our core values. We identified goals and who would be responsible. We also set a timetable."

By establishing this kind of accountability right off the bat, you can actually turn those brilliant ideas you pick up at conferences into actionable plans for your business. ◀

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Brad Groff co-founded River Valley Landscapes in 1991 to give homeowners in South Central, PA, an alternative to what most landscapers traditionally offered. Today he runs the company's Landscape Design Build division and engages in coaching and public speaking. Visit [www.thinkrvl.com](http://www.thinkrvl.com) for more information.

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