

Contractor Success Guide

THE INDUSTRY HAS
**CHANGED
FOREVER**
...HAS YOUR BUSINESS?

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Bland Landscaping
Weston Parkway, Cary, NC*

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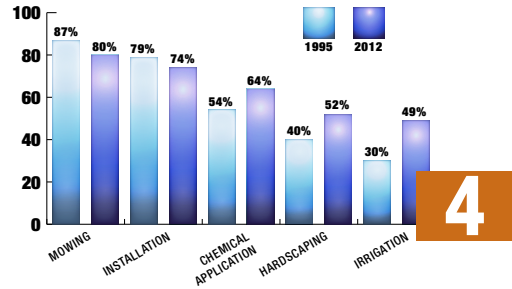
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By Gregg Wartgow

Bigger, but Better?

The landscaping industry took off in the 1990s. Now that growth has moderated, and companies place more emphasis on quality as opposed to quantity, will the industry finally gain the respect it deserves?

The landscaping industry grew like crazy during the 1990s, paving the way for the emergence of thousands of new contractors every season. In addition, companies like TruGreen and Brickman flourished into the behemoths they are today. Thousands of other established contractors also saw their companies double, if not triple in size.

other companies or launching new products/services.

The interesting thing is that many of the issues contractors say are troubling them today are the same issues that troubled them when times were great. In other words, there are certain facts of life which landscape contractors must learn to cope with, because they are not likely to go away. Some contractors have learned to cope, but too many have not.

small company saw just 20% of its business coming from commercial clients. In 1995, the percentage had climbed to 33%. Large companies saw a similar jump in commercial work—from 47% to 56%.

Fast forward to 2002, the onset of the housing bubble. The U.S. Census Bureau estimated landscape industry sales to be roughly \$35 billion. By 2007, when the bubble started to burst, sales were estimated to be roughly \$54 billion, representing a 54% increase.

We also continued to see new companies enter the market at a rapid pace from 2002-2007. According to the Bureau, the number of year-round companies grew from 50,685 to 64,506 (27% increase). Companies with annual sales below \$250,000 climbed from 25,931 to 31,429 (21% increase). The number of million-dollar companies grew 46% from 6,612 to 9,658.

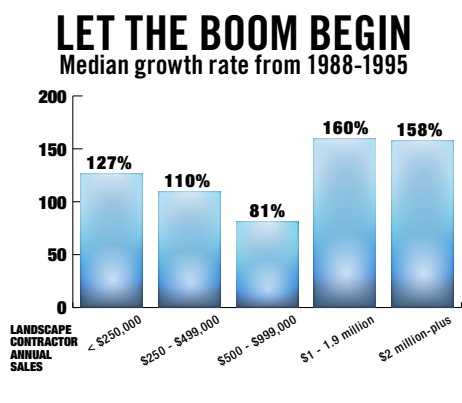
Compare this to present day. Since 2007, industry sales have grown 10-12%, at best, to a level of roughly \$61 billion. Some analysts would argue that sales have remained flat, while others would argue that sales have even contracted a percentage point or two. Regardless, it's a far cry from the 50% or better growth of previous five-year periods.

Growing, growing, gone

The period of 1988-1995 was one of significant growth for the landscape industry. According to a research study conducted for *PRO magazine*, half of landscape contractors saw their annual sales more than double during this period. Larger companies with annual sales of at least \$1 million achieved the most growth (median sales level increased 160%). But small companies with annual sales below

\$250,000 also thrived (median sales level increased 127%). To be sure, it was a prosperous time for just about everyone in the business (see chart at left).

Population growth and an increase in the number of two-income households were big drivers of opportunity. So was growth in the commercial market. In 1988, the average



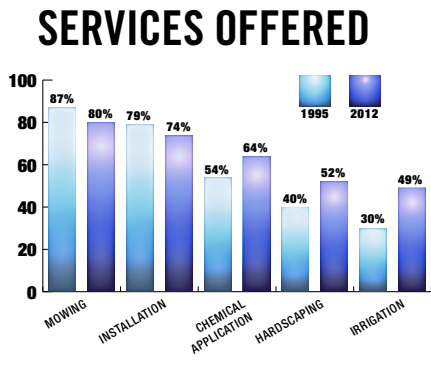
It's a different story today. The industry has been in a holding pattern of sorts, largely due to the economy. But it could also be fair to say that the industry has reached a state of maturity. Now, sales growth will largely come down to stealing market share, acquiring

We also haven't seen the same kind of gravitation among contractors into the higher sales-volume brackets. The number of smaller contractors has increased, as is often the case during periods of high unemployment. Many of the biggest companies have gotten even bigger, often by way of acquisition.

The landscaping industry is expected to begin seeing more robust growth again. How robust remains to be seen.

Everybody's doing more

Over the past 15 years, there has been a trend of more landscape contractors offering more niche services. This approach to landscape contracting has been accentuated as of late. The housing collapse and record-



setting drought have taught both maintenance and installation contractors alike that it is not wise to put too many eggs in one basket.

In 1995, the majority of landscape contractors performed mowing/maintenance and landscape design/installation. Slightly more than half performed chemical applications. But just 40% performed hard-

DAVID VS. GOLIATH			
	2002	2007	
# of companies with annual sales below \$250,000	25,931	31,429	21% increase
# of companies with annual sales over \$1 million	6,612	9,658	46% increase

Source: U.S. Census Bureau

scaping while 30% did irrigation. Today, according to *Green Industry PRO* subscriber data, the overwhelming majority continue to perform maintenance and installation. Hardscaping has climbed to 52% while irrigation has climbed to 49%. (See chart at left.)

A substantial number of diverse, highly skilled landscape companies are good for the industry's image. One downside is that, since so many contractors are now multi-service, it's harder for a given contractor to use "we do everything landscaping-related" as his point of difference.

Old habits, tough issues die hard

As the economy softened and competition began tightening in late 2008, the average contractor's most concerning issues changed a bit. During the bubble, the biggest challenges were finding employees and profitably managing growth. Seemingly overnight, the two biggest issues became retaining customers and profitably completing work.

It's interesting to note, however, that many of the critical issues contractors are facing today were prevalent during previous boom periods. According to that 1995 *PRO*

study, contractors cited the following as the most important:

- Finding and managing employees (89% said this was an issue)
- Insurance (72%)
- Lowballers (68%)
- Making a profit (61%)
- Regulations (46%)
- Productivity (36%)
- Adding services (33%)

Each of those seven critical issues is also on the average contractor's list today. Each has evolved, though, posing new challenges. For instance, rising insurance premiums are one challenge, but the uncertainty over the Affordable Health Care Act is quite another. Regulations have become even more burdensome. Lowballers have taken it to an all new level, making profitability a mere fantasy for some.

How a contractor responds to these challenges in today's slower-growing market is key. During past boom periods, "hoping them away" didn't necessarily work, but some companies still grew in spite of this approach. Not today. Contractors must acknowledge these challenges, embrace them as the facts of life as they are, and take action. Nobody said this would be *easy*, but it's becoming more and more *necessary*. ◀



The Real Secret to Sales Growth Is Innovation

Giving customers more for less will not lead to the kind of long-term sales growth you're looking for. The secret to growth in any market, especially a flat one, is increasing market share—and that requires innovative thinking.

For years landscape companies have focused on a couple of primary growth strategies: branch into new markets at the request of one or two key clients, or buy other landscape companies. The problem is that neither of these tactics addresses the one thing that truly drives vigorous growth in companies: innovation.

As of late, many landscape companies have been focusing on operational efficiency as a means to outperform the competition. The problem here is that operational efficiency doesn't really lead to innovation, either. Yes, it leads to reduced costs, so it is definitely a necessity in today's world of landscape contracting. But if you want to grow sales in today's market, you as the owner, along with your key employees, have to focus on innovation.

Innovation starts with strategic positioning

According to Tom Oyler, one of the most successful entrepreneurs the Green Industry has seen, when you're talking about innovation, you're really talking about strategic positioning. It's not necessarily a revolutionary

new product or service. You simply want to do the things everyone does—but you want to do them differently. Or, you want to do altogether different things than your competitors are doing.

Innovation is understanding your customers

Oyler thinks back to when he was a contractor. After being in business a few years, he obtained his realtor's license. "I figured that the real estate industry was the landscape industry's 'driver,' and wanted to better understand the real estate business and its terminology," Oyler relates. "That way, clients would view me as more of a peer, and not just a vendor. To sell a developer you have to think like a developer."

Matthew Johnson of Asset Landscaping in Phoenix, AZ, is a present-day landscape contractor who also has a realtor's license. "One benefit is that I have additional training on the importance and value of real estate, along with what features affect real estate values the most," Johnson says. "Another benefit is for commercial and homeowner association business. I know the laws pertaining to how

the properties must operate. The Arizona License requires hours of instruction on HOA law, along with continuing education classes that are required to review new laws."

It's unrealistic to think that every landscape contractor is going to run out and get his realtor's license this fall. But it does make sense that innovation-minded contractors will take steps to learn more about the real estate business, such as by visiting websites like realtor.org, for instance.

There are other avenues for contractors to expand their knowledge base and learn more about their customers. Consider attending conferences geared toward developers, homebuilders or facilities managers. Learn as much as you can about green building and LEED. Contractors such as John Reffel of JLS Landscape & Sprinkler in Sedalia, CO, have even earned LEED accreditation.

Innovation is your personal touch

It's definitely important to know your customers inside and out. Finding innovative ways to make some of their pains go away can

be game-changing.

Greenscapes of Southwest Florida has come up with an innovation that has resulted in increased customer retention and market share. Co-owner Linda Nelson says today's consumers expect a lot more personal attention. So Greenscapes has created Client Services Teams in order to increase the number of client interactions each month. This approach also puts more eyes on a property, resulting in improved quality control and more upsell opportunities.

Oyler recalls an innovation he came up with years ago while bidding on an outdoor retail center. "I told the property manager that we would put an English-speaking crewmember on their property every day to not only police the grounds, but also to act like a concierge in the parking lot, helping change tires or jumpstart batteries," Oyler says.

In another instance, Oyler went to visit a prospective client and walk the property. "I found out that the manager spent a few hours every Friday doing a property inspection," Oyler tells. "I won that job because I said we could give her a virtual inspection through a systematic approach to updates and communication. I also gave her advice on how we could greatly simplify the landscape."

Innovation is a new product

As you can see, innovation is often a matter of finding a unique way to provide value to the client. But sometimes, providing this value does translate

How To Unleash Innovation in Your Company

According to Tom Oyler, there are three essential elements to adopting a management approach that's focused on innovation.

Development of guiding principles.

Successful landscape companies operate from a foundation of guiding principles which typically include the following:

- > Treat client's money as if it were our own
- > Keep customer at center of strategic thinking
- > Be a low-cost provider
- > Improve employability
- > Question everything the industry does
- > New opportunity must provide at least 40% return on invested capital
- > New opportunity must provide at least 35% compound annual growth rate potential

Elimination of destructive habits.

Every company has destructive habits that need to be eliminated to truly unleash innovation. Destructive habits often include:

- > Myopic leadership that's too focused on own company and industry
- > Obsession with process improvement
- > Overly focused on overhead recovery and not enough on sales growth
- > Profits stressed more than

organizational integrity

- > Protect long-term, under-productive employees
- > No better idea for growth than to acquire competitors
- > CEO is invisible

Organizational reflection.

Oyler says CEOs can't become invisible, which results from being overly focused on the internal workings of the company. CEOs need to remain "on point"—looking for new opportunities to better position the company for growth.

Think about the meetings you have with managers. It's likely that the majority of the time is spent talking about operations and processes. But it's important that you're also devoting time to discuss strategic positioning.

Similarly, it's important to look for sales- and strategy-minded candidates when hiring new employees, as opposed to those who are only "wired" for operations.

Also, think about the incentive plans you offer employees. Are the incentives based on meeting objectives from an operations standpoint, such as staying within budget or hitting a sales target? Those can be good objectives. But you may also want to think about incentivizing new ideas for market position improvements.



into the need for a new product.

A good example of this is one of Oyler's present-day companies, New South Equipment Mats. The company provides temporary road systems using eco-friendly, heavy-duty mats to help equipment get into challenging environments. But the company identified a strategic position of providing "total access solutions" for heavy equipment in challenging environments.

"Just that mindset shift forced everyone in our organization to start thinking about what 'total access solution' really means," Oyler explains. "That means we have to be able to get anywhere, anytime, anyhow ... no matter what. And we have to do it in an eco-friendly way. In order to achieve that, we had to create a way to get into wetlands, for example." This strategic positioning led New South Equipment Mats to develop

a new roadway and bridging system called EarthSafe. New South's sales have grown at a compounded annual growth rate of 1,200% since the company was founded in 2007, landing them in *Inc. Magazine's* fastest 500 as the 270th fastest-growing private company in the U.S.

California landscaper Tom De Lany is another example. He wanted to help customers conserve water. He came up with a polymer-injecting machine called Aqua Cents that helps reduce outdoor water usage by well over 50%.

The point is that, in both of these cases, the new product innovation was derived from an initial strategic positioning based on providing an advantage to consumers.

Beware the Benchmarking-induced Cycle of Destruction

As landscape companies have become more obsessed with operational efficiency in an effort to reduce costs, they've become even more obsessed with benchmarking. That results in a lot of companies that are highly efficient, but look an awful lot like one another. That, coupled with economic stagnation, leads to lower pricing. What's the end result? All of those operational efficiencies don't even lead to increased long-term profits, much less sales growth.

"With the way things have been, contractors are focused on giving customers more, pushing that value button over and over," says Tom Oyler. The problem is that landscaping is a low entry-cost, high-labor service industry. Unlike with manufacturing, there

aren't too many ways to seriously cut costs.

"So when competency goes up, costs generally go up, as do consumer expectations," Oyler explains. "And we're not even talking about price yet. But something is needed to pay for the competency. If the market won't allow it, as has been the case for a few years, the money has to come from profit."

To stay in the game today, you definitely have to run a highly efficient company (see page 14 for some Working Smarter tips). So you do have to continually look at ways to improve operations. However, the real trick is finding a way to raise a customer's willingness to pay. That requires innovation.

Innovation is a service advantage

Back down in Naples, FL, Nelson of Greenscapes has her eye on a potential new service opportunity. The company specializes in commercial landscape maintenance. Nelson would now like to start bidding on municipal, state and utility work.

"This is work we could do on the weekends," Nelson points out. That's a bonus, because existing machinery is setting idle Friday through Sunday, since Greenscapes runs four 10-hour days. "Even if I have to bid this work a little bit lower than I'd like, it's still surplus money."

In Arkansas, Terry Delany of GroundSERV has worked to create a strategic position of "complete exterior maintenance service provider." Delany says, "If it's outside the sheetrock and inside the property lines, we can

handle it.” Landscape maintenance is still GroundSERV’s biggest service segment. However, the company also offers parking lot sealing and striping, parking lot sweeping, window washing, emergency storm response, irrigation repair and service, pressure washing, brush-hogging, snow and ice management, and tree care.

In some markets, this type of approach might not work. It all depends on what is happening in your given area—and what

your competitors are or are not doing.

“For companies to grow in a service industry, you have to break away from imitation and pursuit,” Oyler advises. “Get out

and talk with your clients. Learn about their businesses, their challenges, and how you can help them.” Only then will you identify how to serve them in an innovative way. ◀

Tom Oyler is the architect, founder and former president/CEO of the nation’s first and then fastest-growing landscape maintenance franchise company, U.S. Lawns. He has also gone on to found or co-found several other successful companies. Tom is a two-time nominee for the International Franchise Association’s Entrepreneur of the Year Award, and was recognized by the City of Orlando as its Businessman of the Year. Visit wilson-oyler.com for more information.



5 Things You Should Know About Health Reform

1. Employer-sponsored plans must be affordable and provide minimum value.

In the eyes of the law, “affordability” means that out-of-pocket premiums paid by workers cannot exceed 9.5% of their family income. “Minimum value” means the health insurance plan has to pay for a minimum of 60% of medical care covered.

This all works to prevent employees from being overwhelmed by co-pays and deductibles. The U.S. Department of Treasury has not yet released a detailed proposal clarifying whether or not the law will set requirements for what a plan must cover.

2. Smaller landscape contractors do not have to offer health insurance.

Under the law, small businesses (under 50 employees) are under no obligation to provide health insurance to employees.

3. Larger landscape operations that do not offer health insurance coverage will likely face a penalty tax.

The law does not automatically fine large businesses (over 50 employees) for not providing health insurance. A large business is only penalized if/when one of their employees receives a tax credit for buying their own private health insurance through one of the new health insurance exchanges. The employer penalty is equal to \$2,000 multiplied by the number of workers in the business in excess of 30 workers (with the penalty amount increasing over time).

4. Small landscape contractors are eligible for tax credits.

Even though small businesses aren’t obligated to offer health insurance, some may want to.

If your business employs up to 25 people, pays average annual wages below \$50,000,

and provides health insurance, you may qualify for a small business tax credit of up to 35% to offset your health insurance costs. As of 2014, the small business health insurance tax credit increases up to 50% for qualifying businesses.

5. Part-time workers don’t apply.

The new law considers only employees who work over 30 hours a week to be full-time. Your company is not required to extend health insurance coverage to part-time employees.

Sean O’Connor is a consumer health insurance expert with GoHealthInsurance.com. GoHealth is an online marketplace where consumers can compare health insurance plans and companies.

6 Game-Changing Trends

Even though the industry has stalled, growth is coming sooner than later. If you don't wrap your head around these six game-changers, you could get left behind.

The landscaping industry has been relatively flat since 2007. Thus, many contractors have had a hard time growing sales. Others have simply been afraid to, according to industry analyst Tony Bass of Super Lawn Technologies.

1 Fear and uncertainty

“Many contractors, especially those doing over \$2 million in annual sales, haven't been eager to really push growth,” Bass says. “They've learned this issue about cash. When you plan for 20% growth in a single year, and you have a 10% net margin, you break even from a cash flow standpoint. That's not fun, so contractors are being much more conservative, planning for 5% or maybe 10% growth.”

Uncertainty over the health care mandate has also put some companies on a more conservative footing. “If you get up to that 50-employee level, you could be looking at a substantial increase in your overhead,” Bass points out. “That's something you need to be able to account for in your budgeting and pricing.”

Smaller contractors are also being more conservative. The

primary issue is credit. Some are having a hard time obtaining it. But in most instances, the contractor is simply unwilling to finance a bunch of additional equipment. “Guys have been really afraid of taking on debt,” Bass says.

As challenging as the past few years have been, things are expected to start improving—and to a certain degree have already begun to. Contractors should start thinking about growth again, devising strategies to capitalize on emerging opportunities.

2 Demographic shift

The second big trend has nothing to do with the economy, the weather or the construction business. It has to do with a shift in population. Roughly a quarter of the population is now over the age of 55. That percentage will continue to grow over the next decade. According to Bass, this is creating a burgeoning market for lawn maintenance contractors.

“These older consumers are the most likely to buy repetitive home maintenance services,” Bass points out. “There are retirement communities growing all over the country. They will need to hire contractors. Additionally, retirees tend to cling to their homes as

long as possible to maintain their self identity, but they're going to need help with maintaining the grounds.”

3 Now it's about business

Back in the 1980s, '90s and even 2000s, new landscape companies were typically started by individuals with a passion for agronomy. That's still true today, but not to the same degree.

“Larger and more organized companies are emerging at a much faster rate today,” Bass says. “This industry is reaching maturity in its policies and processes, which is evidenced by the number of franchises in existence today. So gone are the days where someone passionate about turfgrass goes out and starts a thriving landscaping business.”

“Many of today's start-ups are displaced executives. These guys understand planning, forecasting and procedures. They're also aggressive when it comes to training, education, and acquiring the necessary tools to grow sales and profits.”

4 Embracing automation

One of those necessary tools is automation.



The aging population will likely create a burgeoning market for lawn maintenance services.

Leading contractors are taking advantage of technologies like GPS, mobile time tracking software, customer relationship management software, 3D design software, social media, smartphones and iPads, and the list goes on.

“Contractors have come a long way with respect to technology, but still are not where they need to be,” Bass says. “Start thinking like someone who is trying to manufacture an automobile with robotics. I’m talking about repetitive processes that don’t require human interaction.”

For example, a free online tool at tungle.me simplifies the process of scheduling appointments and meetings with people both inside and outside of your organization. For example, let’s say you’re trying to set up a meeting with a client or potential client. Between the back and forth of emails, texts or voice mails, a lot of time can be wasted in trying to establish a meeting time. Furthermore, the likelihood of a miscommunication is fairly high. Tungle.me allows multiple parties to share calendars so they can quickly select an appropriate meeting time.

“Now think about this,” Bass continues. “What if you recorded a video introducing yourself, thanking the client for the opportunity? What if you could set it up so that as soon as the meeting was confirmed, a link to that video would be emailed to the client? Well, with the automation tools available today, this is possible.”

5 Expanding your role to general contractor

Think about all of the different types of contractors out there today. The plumber, electrician, roofer, satellite TV guy, and so on. Where does the lawn maintenance contractor fit in?

First of all, he’s on a property far more often than any of the other contractors. Thus, the lawn maintenance contractor is in the best position to develop a real relationship with the client.

“There is an amazing opportunity to get in front of that customer week after week with a big smile, amazing work ethic, and clearly branded vehicle and uniform,” Bass explains. “If you take the time to have a meaningful conversation, you can learn some important things about how to better serve that client.”

A client might tell you that they could use a little help with other work around the property. “I see landscape contractors that are expanding their services everywhere I go,” Bass relates. In many instances, they are using sub-contractors to do the work. That’s just fine. “It’s perfectly legal and ethical to make money off of sub-contractors,” Bass reminds. So don’t forget about this strategy. “Landscape contractors are uniquely positioned to become more of a general contractor on a property,” Bass says.

EDITOR’S NOTE: Two entire chapters of Bass’ new book, *“The E-Myth Landscape Contractor,”*

discuss the subject of using sub-contractors.

6 Do common things in an uncommon way

Finally, the lawn and landscaping business is not new. It’s a saturated market where many companies look a lot alike. Thus, growth-minded companies must find a way to do common things in an uncommon way.

“Think of McDonald’s,” Bass says. “They took something simple like hamburgers and fries, and did something remarkable with them.”

Landscape contractors can do the same thing. How do you approach water management? Just about everybody knows what smart controllers are and how valuable they can be. But just a few percent of the irrigation controllers in existence today are smart controllers. What kind of opportunity does that create for you?

What about lawn care? Are you doing what everybody has always done, catching grass clippings and putting down fertilizer every couple of months? What could you do differently that provides value to the client, but is still agronomically sound?

Start thinking about that, along with these six game-changing trends, as you begin strategizing for the future. Business might not boom like it did 15 years ago, but prosperity is definitely on the horizon. ◀



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By Gary Goldman

Why Landscape Companies Can't Make the Million-Dollar Mark

Companies in the half-million to million-dollar range often get stuck. Here's why, and how you can avoid getting stuck yourself.

How excited were you when you first started your company? Yes, there were the usual concerns and roadblocks that any new business goes through. Yet those were overshadowed by the degree of excitement that comes with being in charge of your own destiny. If things are this good now, how great will they be as your business continues to grow?

I hate to be the bearer of bad news, but the honeymoon will come to a screeching halt if you do not have a solid growth plan in place.

Most landscapers begin to realize that they need to bring their businesses to the next level when their sales increase to between \$500,000 and \$1 million. The business side of their operation starts consuming the majority of their time. In most cases, they see their sales increasing but their profits decreasing. One could refer to this as no man's land.

The emotional struggle of letting go of their "baby" and running their company with sound business practices can be one of the most difficult periods as an owner. This is the time when you must start to understand how all of the different elements within your business drive the wheels that will steer your company toward efficiency and profitability.

Need to develop standard operating procedures

As your business grows, you need consistent policies, processes and procedures. The implementation of standard operating procedures (SOP) is one of the best ways to improve efficiencies and profitability.

These SOPs, along with other operating practices, should be put into a manual that is given to all current and new employees. Management, financial, human resources, administration and contract administration are just some of the SOPs that should be included in this manual. Cater to each division within your company.



Establish and measure your marketing plan

As your business grows, you need to have a well thought-out marketing and sales plan. Too many contractors stop this process when their sales start to increase. For some reason they believe that new work will find its way to them without any effort on their part.

Some new business will continue to flow through by word of mouth. However, the growth process usually forces companies to increase overhead. So they need to consistently market to bring new business in.

A lot of contractors have turned to social media to market their companies. This should be an element of your marketing plan, but not the end all. Social media can be a lot of fun, but can be very

time-consuming. Just like phone book advertising, direct mailers, TV or whatever, you need to measure the effectiveness of social media in terms of lead generation and lead-to-sale conversion. In general, you need to measure the success of your advertising campaigns so that you can determine what works best for you.

Refine your estimating process

As your sales increase, you need to have a firm handle on the estimating process. First of all, you need a sound estimating budget so that you fully understand the cost of doing business.

Determining your overhead is key to your survival. Again, as you grow, your overhead increases and you need to be able to recoup this as part of your estimating process. Failure to implement an overhead recovery system will surely lead to financial problems. You cannot determine an hourly wage without having a firm understanding of this process.

Refine your workforce

Growth requires a well-trained workforce. The SOPs we talked about earlier will definitely help your crews work more efficiently. But you also need to hire operations personnel and foremen that can implement your policies in the field. This does not happen overnight.

Additionally, a well-designed training program will help you

keep things consistent, and allow you to develop employees that can move up as your company continues to grow.

Develop a plan for equipment investment

As your company launches forward, do not fall into the equipment trap. Many contractors believe that their success is best advertised through the purchase of a new piece of equipment. Equipment purchases need to be well thought-out and should be part of your budgeting process.

Read
 “The Landscape Contractor’s Dangerous No-Man’s Land”
 at greenindustrypros.com/10778734

When developing SOPs for your company, you need to have a well thought-out equipment policy that focuses on when to make a purchase and when to rent or hire a sub-contractor. The

initial purchase is only part of the expense; insurance, taxes and repairs need to be included when evaluating this process.

Don’t lose sight of customer service

When you begin to delegate many of the day-to-day tasks that you once performed yourself, be careful that you don’t forget about your clients. I am not referring to performing the work you have been contracted to perform. I am talking about the intangibles that much too often get overlooked in the growth process.

Quality, service, responsiveness and value cannot be purchased from one of your vendors. This is something that was usually han-

dled by the owner. As your company grows, this must become a culture that is passed down to every person associated with your company. Never lose focus of what has made you successful. The personal touch of working with a smaller contractor can and should be part of your ongoing business plan.

Everything in harmony

The wheels that drive your company forward need to be working in complete harmony once you reach that half-million mark. Your role as owner will change as your company moves forward. If you do not like handling the “business side” of your operation, it’s OK—so long as you bring someone in that can handle that responsibility.

To monitor your growth, you also need to establish strong relationships with an accountant, attorney, banker and consultant. Having someone from outside of your company to make recommendations, bounce ideas off of, and review your operation is a great way to remain focused and on track.

Reaching that next level can sometimes make you wonder why you started in business in the first place. Having a sound plan and implementing some of these practices will make it all worth it—while also preparing you for future growth. ◀



Gary Goldman has over 20 years of management experience in the Green Industry. For more information, call 508-652-9771, send an email to gary@garysgoldman.com, or visit garysgoldman.com.

How To Make Social Media Pay Off

If you'd like your social media efforts to actually result in additional business, here's what you need to know.

The number of social networks and smart-phone apps has exploded. All of this can get very confusing, not to mention time-consuming. Social media expert Chris Heiler helps us break it all down so you can actually formulate a social media strategy that's not just fun and trendy, but also helps you grow your business.

To get started, let's take a look at Heiler's list of the five most important social networks as they relate to generating qualified leads and driving sales.

Facebook helps keep you top-of-mind

The majority of a Facebook Page's fans will be customers, employees, family and friends—not prospects. Think about it: Why would someone like your Facebook Page if they weren't already familiar with your business?

Facebook is used best as a real-time complement to your company website, helping keep people updated and current

with your business. Use it to stay top-of-mind with your current customers to drive referrals and repeat purchases.

Facebook is also effective for marketing your seasonal services like lawn aeration, irrigation start-ups and holiday decorating. Why? Because you're touching base with existing customers to promote additional services. Taking this concept one step further, you could offer Facebook followers a fan-only special on a certain product or service, for example.

Finally, a paid Facebook ad promoting your services can be highly effective if done correctly. You can target people based on where they live, their interests, gender, age, etc.

Google+ for top-of-mind, new leads via search

Google+ can be used in a similar way to Facebook. Just realize that G+ doesn't have the large audience like Facebook does as of yet.

The competitive advantage Google+ has over Facebook is its impact on Google search results. Social signals are now impacting search, and the impact is only going to become greater in the future.

This opens the door for



attracting prospects via Google+. Most of your prospects begin their search for landscape products and services via Google, not Facebook. So a strong presence on Google+ can contribute to your website attracting more visitors and more qualified leads.

Twitter can reach influencers

Twitter can be an effective way to generate leads because of its ability to reach influential users in your market. "I find it to be the easiest way to connect—and engage—with influencers," Heiler relates.

It can be effective for both commercial and residential clientele. Use Twitter to get on your prospect's radar, and then follow up through other channels.

You can also connect with local media and other local organizations to get on their radar. They might be able to introduce you to their audiences at some point.



LinkedIn great for business-to-business prospecting

LinkedIn is best for commercial (business-to-business) companies as it relates to generating leads and sales. LinkedIn can be a really powerful prospecting tool, as it's a good way to get "warm introductions" to potential customers or partners, as opposed to traditional cold calling.



You should create a profile for both yourself and your company. In the professional setting LinkedIn provides, these pages serve as your resume, so to speak. So treat them as such—with creativity, professionalism and attention to detail.

Pinterest uses images to drive people to your website

"The only reason I'm mentioning Pinterest is because, in a short amount of time, it's driving more traffic than most other sites," Heiler points out. "But traffic for traffic's sake is worthless—it needs to be driving qualified visitors to your site."

You'll want to pin images from the landing pages on your website so the traffic from Pinterest goes to a page where the visitor can take action. Here's a good example: pinterest.com/pin/19210735881152298. Check it out and click on the



image to see what happens.

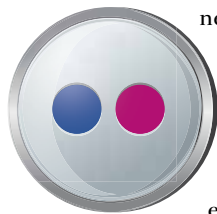
What you might want to do is pin an image of an outdoor living space you just built for a homeowner. That image would then direct people back to your landscape design/build landing page on your website.

You can also pin images from your blog posts. That's mostly what we're doing with pinterest.com/inboundagency/insights/.

Tools to help you create attention-grabbing content

Some social media platforms, such as YouTube (videos) and Flickr and Instagram (photos), are best for seeding your company's social networks with compelling content. These tools typically don't generate leads and sales on their own, but can still be useful.

For example, you could share a YouTube video on a Facebook page or your Instagram images on Twitter. Many of these networks and apps complement and support each other. A good example of this is how one of Heiler's clients, Neave Group



Outdoor Solutions, has their employees take photos with Instagram and then post them on Twitter and Facebook.

These social networks and apps should also be viewed as stepping stones to your company's website. They can be effective in earning the attention of your audience and then engag-



ing with them, but you need to move them to further action, which typically means getting them to your website or to pick up the phone.

Monitor your efforts

Heiler uses HubSpot (all-in-one marketing software) with his clients because it allows them to monitor the traffic from each network and actually track leads and customer conversions from each. "This closed-loop reporting is becoming really popular with our clients because they want to know that their time and resources are getting results," Heiler says.

"We suggest creating unique landing pages on your website, offering free content for visitors to download, and then drive traffic to these pages via your social channels," Heiler goes on to say. "That's really how you generate leads, and this is what HubSpot does for our clients." ◀



Chris Heiler is the president of Landscape Leadership, an inbound marketing agency that combines social media, content marketing and search marketing into integrated and measurable campaigns for their Green Industry clients. Visit LandscapeLeadership.com for more information.

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"Top-rated" refers to the percentage of Green Industry PRO readers respondents with a "favorable opinion" of the brand and specific product models that were most often referred to as "the best."

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STIHL®

By Gregg Wartgow

How To Eliminate Waste Through Process Mapping

Document the steps needed to complete important tasks.

Contractors in the Working Smarter Training Challenge have found that process mapping is an excellent tool for improving the way tasks are completed. To begin utilizing this tool, you must first understand two important concepts.

A *business process* is a workflow or set of activities that allows you to produce a product or provide a service. *Process mapping* is the act of documenting the steps in this workflow, providing a picture of that workflow for all to see and analyze.

Normally, companies start with processes that take a while to complete and/or involve several people. It's also wise to map out processes that are completely new, or those you want to change and improve.

Start at the beginning of a process. For example, you receive a signed contract. What is the next thing you do in response, and then the next? What is the last step in the chain of events? Do you bill the customer or receive payment, or is your last step sending a thank you card to the customer after receiving payment? That's really for you to decide. The important thing is to include all of the many steps in between so you get a clear picture of the complete process.

Involve employees that are familiar with the process. Assign one of them to be the facilitator who takes notes and draws out the process map.

Observation can also be quite helpful. You as the owner, or perhaps your operations manager if you're a larger company, could actually watch certain processes unfold. Look for inefficiencies and take notes. Consider having several people observe a process in order to gain different perspectives.

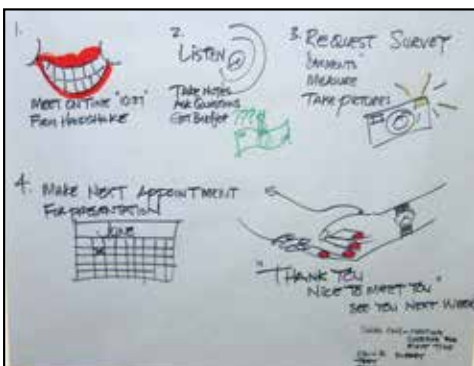
Tasks to tackle first

"We have found that you could have a process map for just about everything you and your employees do on a daily, weekly, monthly or yearly basis," says Massachusetts contractor Arnie Arsenault. But you have to start somewhere. Here are some of the

most important tasks to develop process maps for.

- Morning startup: getting crews checked in and on the road
- End-of-day process: emptying trash, tuning up equipment, reloading trailers, filing paperwork and timecards, etc.
- The first 10 minutes on a job: helping set the stage for a highly efficient service
- Filling out daily job sheets with all necessary—and correct—information
- Service call execution
- Equipment maintenance and/or repairs
- DOT truck and trailer inspections
- Generating leads, sales process
- Sales hand-off package; getting signed contract to crew on the ground
- Billing and collections. ◀

Thanks to the following Working Smarter members for their help in putting this story together: Daniel Currin of Greenscape Inc. in Holly Springs, NC; D.J. Vander Slik of D.J.'s Landscape Management in Grand Rapids, MI; Arnie Arsenault of A. Arsenault & Sons in Spencer, MA; Jim Paluch of JP Horizons, developer of the Working Smarter Training Challenge.



Process map for initial sales meeting

How To Reduce Materials Inventory by Refining Your Value Stream

When you're talking about "working smarter," you're really talking about ways to do things faster, more efficiently, and ultimately more profitably. At the same time, you don't want your process improvements to have a negative impact on customer satisfaction.

For example, you might determine that a certain maintenance task wouldn't have to be done every single time a crew visits a site. However, if the client wants it done every single visit, ignoring their wishes certainly couldn't be construed as "working smarter," could it?

A very important concept when it comes to working smarter is "value stream." The value stream is the series of steps that occur in order to provide the product or service—and shopping experience—the customer desires. Thus, any steps in the process that a customer does not value and would not pay for are to be considered waste. Thus, you should do everything in your power to eliminate those steps—or at least improve the way you perform them so you can save time and money.

Madison Planting & Design Group in Canton, MS, is constantly scrutinizing its value

stream. Owner Kirk Cameron says one area in particular has had a major impact on his company.

Reduce your materials inventory

MPDG has taken "held inventory" out of its value stream altogether. The goal is to greatly reduce the amount of capital tied up in excess inventory, in addition to reducing the time crews spend gathering and loading materials.

Cameron explains, "We used to have a lot of inventory sitting around our yard, sometimes up to \$150,000 worth. We got that down to around \$75,000, and then started the process of eliminating it altogether."

MPDG no longer "stocks up" on popular items. Instead, the operations manager emails a purchase order to their supplier when a new job is scheduled. The supplier then gathers the needed materials for that specific job. Sometimes materials are shipped directly to jobsites. However, it's more common for the materials to be shipped in bundles-by-order to MPDG's yard. Deliveries take place every two weeks.

The bundling method is still quite advantageous. It's much easier for a crew to load up the needed materials when embarking on a new job, since everything is already together. And materials are still being ordered only when needed for a job—otherwise

known as just-in-time inventory planning, another important concept of working smarter.

Cameron says that in order to make this approach work, he decided to narrow his buying down to a single supplier. This makes it much easier for his operations manager to manage. Furthermore, MPDG becomes a much more valuable customer in the eyes of the supplier, encouraging the supplier to do whatever it takes (within reason) to comply.

Greatly reducing held inventory is just one value stream improvement MPDG has made over the past few years. They've also reorganized their yard to help reduce downtime by 50%. Crews now follow a very specific flow in the evening to unload debris, load bulk materials like topsoil and pine straw, load plant materials, re-fuel trucks and park them. Crews are then on the road within minutes the next morning since everything is ready to go. The loading/unloading process now takes about 45 minutes as opposed to 90.

"I could back through our value stream again today and find more ways to cut and tweak," Cameron recognizes. "My advice is to be diligent and never give up. Always look for ways to increase value to the customer. We provide value when we physically change their property. Anything beyond that—fueling up, loading up, paperwork—doesn't matter to them." ◀

TOP 5 WAYS

You Can Start Working Smarter Now!

Highlights from the Working Smarter Training Challenge identify ways to improve productivity, reduce waste and cut costs in your landscaping business.

Hundreds of landscape companies have participated in the Working Smarter Training Challenge. Through this year-long training series, each has found ways to improve systems and processes—in the shop, in the field, and even in the office.

Here's a look at the top five ways landscape contractors are finding how to work smarter, based on highlights from *Green Industry PRO's* ongoing Working Smarter series.

1

Morning start-up

Getting crews out faster in the morning was something Tim Emick, president of Timberline Landscaping in Colorado Springs, CO, really wanted to improve. “We put someone on the roof of the shop to videotape our yard routine,” Emick

tells. After reviewing the tape over and over, and consulting his account managers and foremen, Emick determined that improving the morning dispatch was primarily a matter of improving the evening arrival.

Start by organizing evening shut-down. “When crews come back to the shop in the afternoon, we now take extra steps to prepare for the next day by unloading excess waste, and loading up materials and equipment,” Emick says. This approach helps crews get on the road in a matter of minutes each morning. And since the laborious “housekeeping” tasks are handled at day’s end, when crews are eager to punch out and go home, they are handled quite expeditiously.

Mower blades are also changed at day’s end. “We set up blade-changing stations in the yard,” Emick says. “We poured concrete pads, and installed ramps, air impact guns and grease guns. Blades are now switched out and the mowers fueled up in a matter of minutes; less than half the time it used to take.”

The mechanic works “second shift,” punching in as the crews start arriving each afternoon, working into the evening hours. That way any equipment that’s in need of repair can be ready for the next morning (if at all possible).

Fueling up. Arnie Arsenault of A. Arsenault & Sons in Spencer, MA, says his crew members played a valuable role in identifying process improvements that have helped the company reduce the non-billable time spent fueling vehicles by 80%. Here’s what has happened:

BEFORE: After receiving their route sheet in the morning, the first thing crews did was head down the street to the gas station, whether they really needed gas or not. Two 2-man crews and two 3-man crews equals 10 employees—each wasting 10 minutes every morning. Total unbillable time: 1.5 hours per day.

AFTER: Now one employee comes in a half hour early each morning. He’s responsible for fueling up the trucks, equipment and gas cans. A “key

Learn how you can transform your company into a lean, productive and passionate organization that can continue to be competitive for years to come by visiting GreenIndustryPros.com/working-smarter, or call 920-563-1614.



At A. Arsenault & Sons, each truck has a hook and notification card; green means “fuel it” while red means “don’t fuel it”.

board” hangs on the wall in the shop’s meeting room. Each truck has a hook and notification card; green means “fuel it” while red means “don’t fuel it”. When is it time to fuel a truck? When it’s below a half tank. Total unbillable time: 0.5 hours per day.

Dude, where’s my crew?

A. Arsenault & Sons has made one other important change. Crew leaders now come in at 7:45 a.m. to perform DOT inspections on vehicles, which is a big reason why the company’s fleet now runs a lot more smoothly. The crew members then arrive at 8 a.m. The first thing they do is look at the job board to see which crew leader they’re assigned to. This has eliminated confusion over scheduling and all of the wandering around associated with that confusion. “Our two-man crews are on the road in 5-10

minutes, and our three-man crews are gone in under 15,” Arsenault says.



Crew size, scheduling

Carpenter & Costin in Rutland, VT, has put much of their focus on improving crew productivity. The company had typically run five- or six-man crews in both maintenance and construction. After a few Working Smarter sessions, it became obvious that this was wasteful.

Two guys are enough. “We now run two-man crews,” says Russ Marsan, president. “We very rarely allow more than two guys on a site. If it’s a large construction job, for instance, we might run 2 two-man crews; one crew does this while the

other does that. When needed, one crew might steal a guy from the other crew for a half-hour or whatever. But a dedicated third guy is a waste.”

Four days are enough. A fifth working day also proved to be wasteful. “There are so many inefficiencies in day-to-day operations,” Marsan points out, referring to things like the morning routine and drive time to and from the shop. “We decided to start working four 10-hour days. That’s saving us at least \$50,000 a year. Plus, our employees love it because they always get a weekend, even when we have a rain day during the week. We’ve also seen a reduction in truck and equipment maintenance costs.” Carpenter & Costin has roughly 17 employees.

First brought to the surface by the maintenance division’s operations manager,

the concept of switching to a four-day workweek was only possible because everyone got involved—right down to the crew level. “When it’s a grassroots movement where everyone buys in, that’s when something really takes hold,” Marsan says.

Mobile time tracking. In Colorado Springs, Timberline Landscaping has made some changes with respect to payroll. The company has implemented electronic data collection for all of its timecards, which employees operate with a PDA. They simply log their time for each task and submit. The data syncs with the main computer back at the office, the manager approves it, and it goes right to payroll.

“What used to take an office person 30 hours a week to process payroll is now down to under 14 hours—plus it’s a lot more accurate because it has real-time data and GPS working with it,” Emick explains. “This

will save us at least 2% of payroll.” The program Timberline uses is called mJobTime.

3

Jobsite organization

Maps save time. JLS Landscape & Sprinkler in Sedalia, CO, has adopted a new appreciation for organization. “We looked at everything, from our shop to our trucks, and mapped everything out,” says owner John Reffel. “Doing so has helped us save a ton of time in the morning and evening.” Maintenance crews are now on the road 60% faster in the morning, according to Reffel.

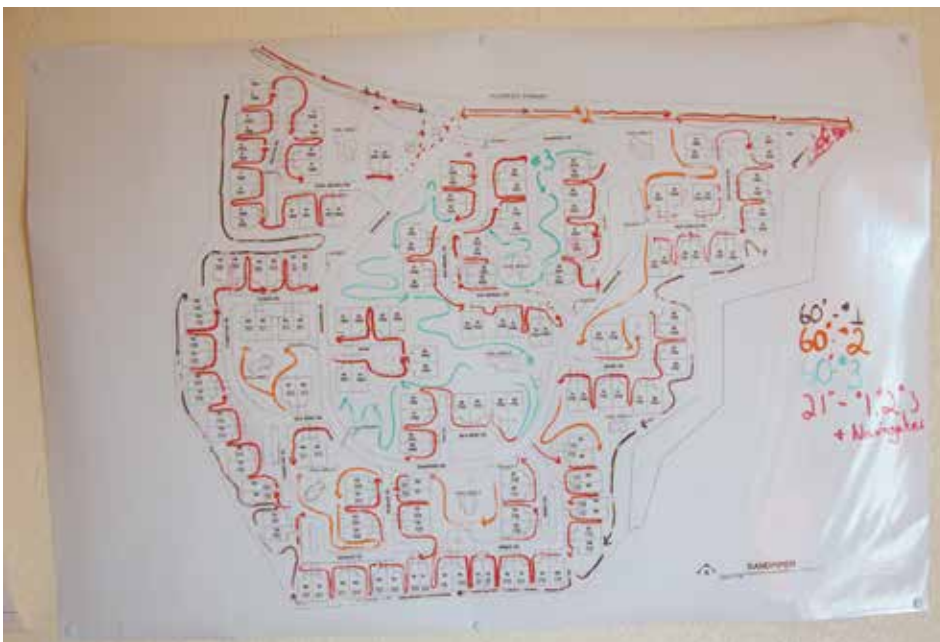
Maintenance crews have also been able to shave time off of jobsites—by 15% in many cases. “We’ve put a lot of time into improving our equipment training,” Reffel says. “We’ve

also spent time mapping out each property, looking for better and more efficient ways to service them.” Crew leaders have played an integral role in identifying these process improvements and creating this standard work.

TLC - The Landscape Company in Mesa, AZ, develops color-coded maps which highlight the most efficient mowing patterns on a property. David Spector, company owner, says the maps have helped to reduce man-hours by a third in some cases.

For JLS, mapping and creating standard work has also been key in snow removal. More detailed site instructions are given to each crew, and trucks/plows are inspected before and after each snow event to make sure they remain in good working order. “Now we’re training our sub-contractors on standard work, hoping that if we can pass onto them what we have learned, they will also become more profitable, and in turn, make us even more profitable.”

Perfect stripes vs. too much turning. Carpenter & Costin naturally wants to do as good a job as possible on maintenance accounts, but has made some hard decisions when it comes to striping. “When striping our lawns, we always went for the most visual impact from the road,” says Marsan. “But we were having to turn around all the time, sometimes 50 times on a property. Now we’ve altered our mowing patterns and only have to turn around, say, five times. This is a huge efficiency gain and the lawns still look great.”



TLC - The Landscape Company in Mesa, AZ, develops color-coded mowing-route maps.

4

Financial reporting

“We’re tracking things like job hours and other important financial information month to month now, whereas we used to look at it about once a quarter or every other month at best,” says Reffel. “When you get busy producing jobs, it’s easy to brush this to the side. But you can’t.”

Weekly breakfast meetings make “reviewing financial data” part of a routine schedule that never gets brushed to the side anymore. “Weekly meetings keep everyone on our management team up to date,” Reffel relates.

The JLS team is also paying much closer attention to overhead, comparing monthly figures to the same timeframe of the previous year. “We’re also looking at year-to-date numbers,” Reffel points out. Staying on top of these numbers keeps managers and crew leaders abreast of where the company stands in comparison to the budget, so any adjustments can be recommended and implemented as needed.

Tools you can use.

Timberline Landscaping is also working smarter in the discipline of financial reporting. “Many contractors go out and buy software, but the application of that software to its fullest potential is what matters,” Emick relates.

All irrigation techs have been given laptops so they can take care of paperwork in the field

and bill customers immediately. This has drastically cut down on the time admin support has to spend re-entering data.

“We also decided that we had to do a better job of running reports from our software system for both myself and my managers,” Emick says. “When we took the time to really investigate what the system could do for us, we realized that several reports could be set up to run automatically.

“A ‘work in progress’ report runs every Monday morning, which helps us quickly identify jobs that have been completed but not yet billed. Our admin person then follows up on these accounts.

“The ‘maintenance task codes’ report helps us manage things like mowing operations to ensure that man-hours are staying within budget for each job. We generate this report every Tuesday night so I can review it Wednesday morning.

“When we close out jobs, a report is sent to our vice president in charge of operations so he can make sure costs are not being assigned to those jobs any longer.”

5

Team communication**Everyone has good ideas.**

Reffel says that when his company started the Working Smarter Training Challenge, he involved all of his employees in the meetings. “Even when we were talking about jobsite process improvements, our CFO

and office manager had a lot of good ideas,” he says.

Sometimes, having an outsider scrutinize a work process brings about a unique perspective on ways to improve. However, Reffel also learned that having all employees involved in the meetings was hard to manage. So he switched to a system of having managers and crew leaders at the meetings, who would then return to their teams and disseminate the information to the rest of the company.

Every employee makes a difference.

Arsenault says each of his company’s roughly 15 employees meet for half an hour every Tuesday morning to work through the different lesson plans of the Working Smarter Training Challenge. Pulling the entire team together like this has had a positive effect on not only work processes, but also culture and communication.

When employees begin seeing how the changes being implemented have a positive effect on productivity, Arsenault says everything starts to snowball. “Everybody feels like they play an important role in coming up with good ideas and finding ways to improve. The different crew leaders now call each other with questions and advice. The crew members are also fired up. They’re writing down more detailed notes on job sheets, and are eager to offer suggestions and share insights.” ◀

By Gregg Wartgow

A MORE EFFECTIVE ALTERNATIVE TO EMPLOYEE PERFORMANCE APPRAISALS

Let's face it, employee performance appraisals are typically no fun. But did you know that they are often non-effective, too? If you want to really drive employee performance, consider embracing the Values and System Model.

The employee performance appraisal is an often disliked management task that actually makes performance worse. In Volume 5 of *Contractor Success Guide*, an article by Wally Hauck explained why traditional performance appraisals are ineffective and often avoided, while also outlining an alternative.

According to Hauck, to make a performance appraisal work, one of the biggest challenges for any manager is to begin thinking differently about performance by embracing the Values and System Model. Setting the values behavior is one of the first steps in that transformation.

Company values and employee behaviors must be in alignment

Research shows that companies seeking to align their operating values and employee behaviors are the most successful, the most fun to work for, and have more loyal customers and employees. Clear values are also the foundation for an effective performance appraisal process.

Regardless of the status of

your performance appraisal process, identifying, defining and communicating your organizational values is critical to achieve predictable long-term performance.

A value is a fundamental personal belief. Values provide guidance during difficult situations and allow you to make quick, yet smart decisions. An organization's priorities are simply a reflection of its values.

There are three key steps to aligning your team with your values.

STEP 1: Three basic values of integrity, respect and customer focus

Dozens of organizations have successfully worked with these three values for the past decade or two. Not one has found the need to expand the list. Why? Because, these three values capture the essence of the important behaviors that people can personally control.

There are dozens of values an organization can decide to embrace. But attempting to embrace too many different values increases the complexity. The correct approach is to clearly

Research shows that companies seeking to align their operating values and employee behaviors are the most successful, the most fun to work for, and have more loyal customers and employees.

define these three basic values first and then provide an opportunity for your people to ask questions, such as, "What might be missing?" and "What might be a conflict in their personal lives?" With the proper questioning and listening skills, a leader can begin to help everyone see that these three values can be all-encompassing.

STEP 2: Clear and specific definitions of behavior

Organizations need clear descriptions of values behavior to avoid interpretation, wasted time and wasted resources. Here is an example of values behaviors for each of the three basic values listed in Step 1.

Integrity

- Communicate openly, honestly and responsibly
- Make only agreements you intend to keep
- Act upon your agreements to the best of your ability
- When you can't keep agreements, communicate with those who need to know
- Admit when a mistake is made and look at the system as a team for a solution

Respect

- Treat others as you would like to be treated
- Communicate directly, calmly and professionally
- Listen attentively and congruently without interruption, and paraphrase to confirm understanding
- Acknowledge the value of different perspectives, and demonstrate it by your actions

Customer Focus

- Ask clarifying questions to be sure you understand what customers need
- Make suggestions and recommendations that may better suit their needs
- Always keep your customer informed (as defined by the customer)
- Acknowledge requests promptly (as defined by the customer)
- Anticipate customer "wants"
- Treat all customers with respect and integrity
- Continuously explore ways to make more "higher quality" agreements with customers (continuous improvement)

Get your team to review these and agree on one set of specific statements. Have them choose or create at least three or four descriptive statements for each of the three values. Your team can

A value is a fundamental personal belief. Values provide guidance during difficult situations and allow you to make quick, yet smart decisions. An organization's priorities are simply a reflection of its values.

choose statements from the example, modify those listed or create its own statements.

Each statement needs to meet a certain standard criteria for success made up of four questions. Each statement must be answered with an emphatic "yes" to meet the standard:

- Is it clear to you?
- Will it be clear to others who did not select it?
- Is the statement observable behavior (you can experience it)?
- Can you personally make an agreement to always follow this behavior (although mistakes may be made, they will not be on purpose)?

Each statement that meets the standard criteria can be confidently added to the formal list of values behaviors.

STEP 3:
Openly discuss values with employees

The list of statements must be reviewed by the key individuals who were not able to choose them. You can distribute the list to all employees. Give everyone time to absorb the meaning of each statement and provide opinions.

You may want to create a short-term team that can review the suggestions and opinions,

and modify the statements as needed to better meet the standard criteria in Step 2. The purpose is to minimize the feeling of compromise.

One of the elements of a poorly performing organization is a conflict between organizational values and personal values. A feeling of compromise on personal values is deadly to performance. By allowing people to evaluate the statements, ask questions and make suggested improvements, you are providing an opportunity for them to naturally align without compromising their personal values and beliefs.

Facilitating these discussions is a challenging responsibility. Very often an outside facilitator is needed to create an environment of fairness and accelerate the entire process. ◀

Wally Hauck, PhD, is a nationally known speaker and facilitator. His company, Optimum Leadership Inc. in Milford, CT, combines training and facilitation expertise with a business background in marketing and sales to help leaders optimize resources, improve services to internal and external customers, and boost employee engagement. Visit wallyhauck.com for more information.

Biggest Management Mistakes I've Ever Made

Part 1: Ed Laflamme and Bill Arman of The Harvest Group discuss show vs. tell, surrendering too much trust, and not getting it in writing.

Crew leaders have to show, not just tell

Some of the greatest mistakes can be traced right back to basic communication and fundamental leadership skills.

Consider the following example. A crew leader, after carefully “telling” his worker how to prune some trees without “showing” him how to prune the trees, left the site only to return at the end of the day to discover that the worker had “topped” a significant amount of trees. This led to the costly replacement of many trees.

How many times have you heard “I told them” vs. “I showed them” in your business? How did that work for you? Believe me when I say more communication can make all the difference in the world. This one slipup can affect all businesses in all trades from design to construction to maintenance.

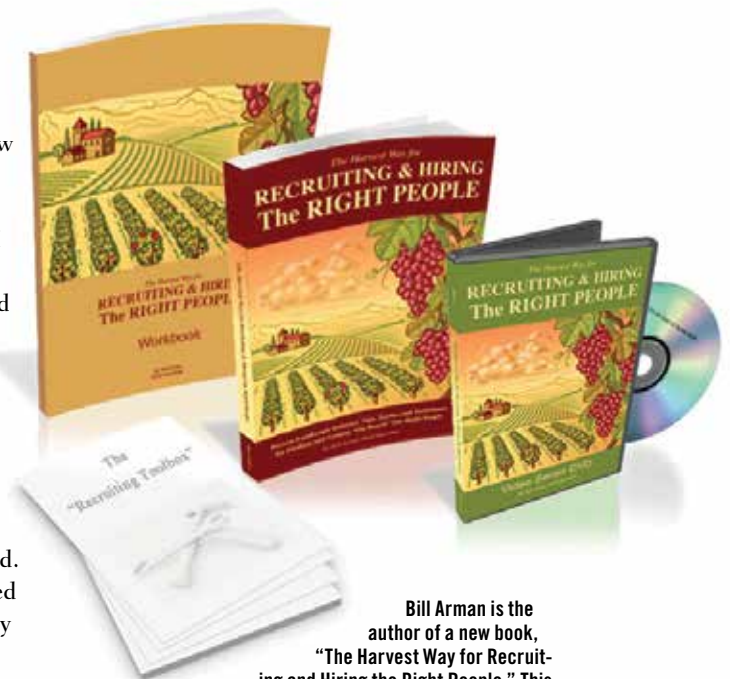
Owners can't be too trusting of crew leaders

Crew leaders are prone to making their own mistakes, but you the owner can make some

big mistakes of your own when it comes to crew leaders.

I was far too trusting when I first started my company. I used to let foremen take trucks home, partly to help them and partly because I had limited parking at night in my yard. I quickly learned this was a costly mistake.

One Monday morning one of the foremen didn't show up on time. When he did show up, he didn't have my truck. When I asked him where it was he explained he took it “for a ride” with his girlfriend and had an accident. “Had an accident” was an understatement. The truck was a mess! Craziest thing was that my foreman couldn't understand why I was going to fire him. Needless to say, that was the last truck a foreman ever took home.



Bill Arman is the author of a new book, “The Harvest Way for Recruiting and Hiring the Right People.” This 133-page book, which includes more than 100 helpful bullet items, will help build your recruiting machine.

Don't think you can always “figure it out later”

We all want to grow our businesses and are willing to “bring it on” when the customer is ready and willing to buy our services. And yet, is there ever a time when enough is too much?

In one of our desert regions, the perfect storm of landing a large amount of work at the

wrong time “landed” on us—and it wasn’t a good landing. It was in July and temps were averaging 110° to 115°. We were awarded two major contracts to maintain seven large resort-type hotel complexes and 12 large apartment complexes all on the same starting date.

We thought we could handle it. Bad move! We dropped the ball primarily in the area of irrigation; we simply weren’t skilled or prepared enough to deal with the massive amount of irrigation work. By the time the heat storm had subsided, we had spent more than \$100,000 in extra effort, and were unable to recapture these costs and regain the confidence of the customer. After struggling our way to cooler fall temperatures, we were eventually asked to leave.

Don’t fall victim to the “we will figure it out later syndrome” because it can be very costly. Know what your capability for growth is, and know

when to say no. At the very least, try to navigate yourself to better times of the year to take on a ton of work.

Put it in writing

The craziest mistake I ever made was not giving my sister clear, written directions. I was in business a few years and we were awarded a multi-year contract to maintain a large condominium about one hour

from my yard. We needed to mulch the shrub beds, so I had 100 yards of mulch delivered to the site; just the first of many loads.

I had just purchased a small loader to move the mulch around on the site, but now needed to get it from my yard to the condo. We hooked up our trailer to the largest truck I owned, and up went the bucket loader. I told my sister to bring it to the jobsite we would be working on. No, she wasn’t driving the truck, but one of my non-English-speaking men was. She was riding along to give him

directions. After three hours or so, they pull back in the yard explaining they dropped off the machine and we were all set for the next day.

The next day arrives and two trucks follow me to the jobsite. They had never been to this job before, and I wanted to be sure they knew exactly what to do. When we arrived about an hour later, I pulled into the parking lot by the clubhouse. There was the mulch pile, but no loader. I drove all over the site, but still no loader. Did someone steal it!?

I called my office. After searching for my sister, they found her. I asked my sister where she parked the machine. She said she parked it right by the clubhouse. I explained that it wasn’t there. Then I repeated the name of the condominium and town it was located in. There was silence. Well, you guessed it. She brought it to the wrong town and wrong condo. So there we were, six guys and no machine. Boy did I learn my lesson. ◀

Know what your capability for growth is, and know when to say no.

Be sure to read Part 2 online at greenindustrypros.com/10770299. There Ed and Bill talk about estimating mistakes.



Bill Arman (left) and Ed Laflamme

Ed Laflamme LIC started his own business from scratch, built it up, sold it, and then wrote a book about how he did it. He is recognized as a CLP: Certified Landscape Professional. Bill Arman worked for and helped grow one of the biggest landscape companies in the country. Bill, alone, has gone on 15,000 quality site visits in his career. Bill is the author of a new book, “The Harvest Way for Recruiting and Hiring the Right People.” For more information, visit harvestlandscapeconsulting.com.

By Jim Paluch

How To Turn Employees Into Heroes

Provide opportunities for employees to step up, recognize their efforts, and help lead the way.

Heroes are no longer easy to identify in the sports world. Similarly, we can no longer look to Hollywood unless our definition of a hero is someone who is fooling the audience in a reality show, trying to dance, creating cartoons that kids can no longer watch, or trying to recover from a habit that seems to go along with their success. Then there's the circus side-show of world of politics being reported by slick entertainers committed to sensationalism using any means possible to get viewers—instead of presenting the truth.

If you consider the above examples, it seems much more inspiring to look for our heroes in the people we work with every day.

What Green Industry heroes are doing today

As the JP Horizons team travels the country, we see great examples of heroes in landscape companies, suppliers and associations. **These heroes are getting involved in their communities.** They are creating awareness of the importance of helping people to “come alive outside,” teaching how to grow our own vegetables, or helping children start a butterfly garden, for example.

All across the country there are individuals and companies continuing to **promote sustain-**

ability and green initiatives that help educate their clients and inspire them to do the same.

Through necessity over the past couple of years—in an effort to work smarter and innovate—contractors and manufacturers are **developing and perfecting new products, methods and technologies** that will continue to help the industry grow and prosper in the years ahead.

Many suppliers help keep educational opportunities alive for contractors by participating in and sponsoring educational events and tradeshow.

We can be inspired by the **heroes who came to this country not yet able to speak English.** Through desire and commitment, they have learned



the language, obtained a driver's license, became U.S. citizens, became active in the industry, and even started businesses of their own.

Heroism starts with passion

The greatest thing about these examples of heroism is that they do not happen because a person wants to be a hero. It is their passion and commitment to the

industry and their companies that moves them to act.

Ideas to help foster heroism in your company

Lower your expectations.

Do not overlook the small accomplishment. When combined with many other small accomplishments, it can have a significant impact on the company.

Provide opportunities to be a hero. Challenge someone and then give them the freedom to rise up to the challenge. It is likely that the individuals in your company are looking for challenges—and are capable of more responsibility.

Recognize simple acts of heroics. Many times a simple thank you in a meeting, a high five in the yard or office, or a note that lets your hero know that you appreciate their efforts can mean more than a parade or front-page news. We all just want to be appreciated.

Lead the way. This may cause the biggest challenge, but gives the biggest reward. It doesn't matter if we are an owner or a new employee. Doing something that makes a difference for somebody else brings about the greatest reward of all: You feel great about yourself. ◀



For over 20 years Jim Paluch and the JP Horizons Team have been helping landscape companies Work Smarter and create A Better Way. Learn how they do it at ABetterWayCommunity.com, or email jim@jphorizons.com.

How To Turn Employees Into Leaders

The following is a Q&A with Joel Hafner, president and co-owner of Fine Earth Landscape in Poolesville, MD.

Q: Long before you became president and co-owner, you were simply working on a crew. Did you have aspirations early on to advance into the leadership of the company?

When I first got into the industry, I had just left the military from active duty. I had a family with a young son that I needed to care for. Back in those days, I just needed a job. However, the college education I had been getting while on active duty paid off. I had been taking business courses, which together with my military work ethic gave me an upper hand. I knew I didn't want to be working in the field the rest of my life, and could see that there was opportunity if I just worked hard and was given a chance.

Q: Was there anything you took the initiative on to better your knowledge base and skill set as a manager?

I finished my college education and earned a horticulture degree.



I got involved with my local association and networked with the many brilliant minds in the DC metro area. I even got involved at the board level and served as the association president in 2002. Eventually I became involved with PLANET on their certification council and served as its chair for three years.

Q: What are you doing to help develop leaders in your company today?

We constantly provide money to send them to training seminars, safety conferences, etc. Our sales teams develop those leaders of tomorrow through constant oversight and excellent management skills. I like to think we are the leanest company in the business through direct management from our salespeople instead of management through production.

Q: What role does your Landscape Industry Certified Manager credential play in your ability to attract, develop and inspire quality personnel within your company?

Being a Landscape Industry Certified Manager has set the precedent that we strive to be better than all of the rest. We want our employees to know that we are educated, experienced, trained and professional, and that we strive to do things right through our business practices as well as our project implementation.

What's Best for Our Clients ... and Planet

Bill Horn of Terracare Associates talks about serving commercial clients, and how sustainability is coming into play more and more.

Q: As a specialist in commercial landscape maintenance, what are you doing to provide that “value” clients are looking for? In today’s market, like it or not, low price often wins. We need to be able to bid a price that’s not as high as it was four or five years ago, but still deliver a quality product. Thus, we need to be state of the art with our equipment, processes, business management software and training regimen. We’re constantly searching for ways to do things faster and better.

“We educate the client on how this will help them save money over time, but will still be aesthetically pleasing.”

It also helps that we have many tenured employees. When you don’t have to go back to square one every season, it’s easier to switch gears and say, “We’re going to do this job *this way* now in order to keep clients happy but still make a buck at the end of the day.” Furthermore, we have several employees who are certified in different areas. We have always placed a very high value on

certification. In fact, I’ve been involved with it since the early 1980s. Having so many certified people on staff has really helped with our internal training program.

Finally, we’ve created the position of “director of business development and marketing” within our company. As your company grows, you really need to think about marketing materials and technology—maintaining a good website, writing a blog, and being available on Facebook, LinkedIn and Twitter. That’s where clients and young people are going these days, and that’s where a lot of business is being done now. Having somebody who’s driving these things has been a huge plus. We’d always had a strong sales force, but that was done at a branch level. We needed something extra with continuity at a corporate level. The continuity of your message is critical today.

Q: What role is sustainability playing in your maintenance operations? My passion for sustainable landscaping started at my own house; I’d converted almost my entire front lawn into an edible garden. What

we’re preaching to clients now is the concept of meaningful vs. non-meaningful turfgrass. Turfgrass on a soccer field is great, but turfgrass just for the sake of having turfgrass probably isn’t.

We’re having some success in selling conversions to some property managers, substituting things like native plant beds for patches of turfgrass. We educate the client on how this will help them save money over time, but will still be aesthetically pleasing. And you don’t have to do it all at once; budget for small sections at a time and phase it in.

Q: Aren’t you concerned that this could ultimately lead to a reduced need for the maintenance services you provide? I’m interested in what’s best for our planet as a whole. Besides, we’re still going to have our work—it’s just going to be a different kind of work. ◀



Bill Horn, a Landscape Industry Certified Manager and 30-plus-year veteran of the industry, is the vice president of Terracare Associates based in Littleton, CO.



Jerry Clay, Owner
Clay's Power Equipment
Raleigh, NC
Fuquay-Varina NC

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LOCAL MEANS BUSINESS.



Mark Barbour
Project Supervisor
Dennis' 7 Dees
Portland, Oregon

Building a green space in Portland's airspace.

Incoming passengers to Portland International Airport are now greeted by a "green" roof, thanks in part to *Dennis' 7 Dees*, a longtime Portland landscaping and garden center. The eco roof project was huge, at 10,000 sq. ft. They installed a modular tray system and a LEED-certified irrigation system. The work was challenging and Mark Barbour says "we couldn't have done it without the reliability and power of our STIHL products, especially our

STIHL Cutquik® cut-off machines." Their environmental commitment is another reason why Barbour and his team swear by low emission STIHL products in this eco-centric northwest city. For their green projects, they stand by STIHL orange.

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