Planning strategies for the green industry companies

If you are bracing for an improved performance in 1992, a budget needs to be developed during these winter months.

by E.T. Wandtke

It's not uncommon in the lawn and landscape industries for owners to avoid the rigor of budget-making and budget-following.

As these owners look into 1992, they often say the economy will be better and their businesses will benefit accordingly.

If this is how you are looking at the performance of your company, you should start planning more.

What to plan—Here are types of plans you should be making:

- Your business plan should be prepared before you start the business. Annual updates thereafter are essential.
- The business plan details why you are in business, what type of services you intend to offer, and your target market. It should include projections of future financial performance, and the persons you have enlisted to do the job.
- Banks want to know this kind of information, as it identifies when times of potential stress (or periods of financial need) will occur in the life of your company.
- Your marketing plan—a key component of the business plan—needs to be revised and specified annually, usually three to six months prior to the start of your next business year.

Developing a marketing plan may reveal how little you know about the market. Assumptions and beliefs are easy to come by, but facts and reliable information are not found as easily.

Other components of the marketing plan deal with competition, potential niche opportunities, and the market's economic outlook.

- Strategic plans usually cover a five-year period, and are updated each year, two to three months prior to budgeting. A strategic plan defines the strategy you will follow to achieve your five-year objective.
- The budget, which covers a 12-month period, is prepared two to three months prior to the upcoming business year.

The budget details what the company's financial performance is expected to be for each month of the year. Budget preparation takes time; you must examine the prior year's activity, and predict what you think will happen next year.

A budget needs to be developed during the winter months. Some companies dedicate one week of their winter season to budgeting. This is an ideal way of letting all of the employees in your company know the importance of planning.

- Your management plan, or people plan, is developed as part of the business plan and is updated on an annual basis.

Individual strengths and weaknesses of key employees are examined, as a way of defining the type of person who works best in the company. Accomplishments of key employees serve as the basic background

Preparing a budget

A budget is most easily prepared when the following items are listed:

1) Services to be performed, and number of customers per month.

2) Materials to be used.

3) Labor costs, including expected raises, projected overtime, bonuses and incentives, and the cost of fringe benefits.

4) Operating costs, including vehicles, equipment, maintenance and repair, fuel and oil, and other equipment operating expenses.

5) Administrative or fixed expenses are budgeted, since they tend not to vary much from year to year unless a change occurs in the company's operation.

6) Other direct expenses, such as safety costs or license fees are planned based on when they will hit over the course of the year.

—E.T.W.
for the owner to present to the banker and others advising the company. These advisers will look at the information to evaluate your future potential based on the accomplishments of the goals detailed in your strategic plan.

When to plan—Timing helps considerably in the financial success of your company. Most companies in the green industry need to start their strategic planning in the summer months (June to September) in order to have time to agree on all aspects of the plan. Once a strategic plan is developed, only selected components will require adjustment over the next five years.

Slowdown or acceleration in the realization of the plan, competitive changes, or other economic variables need to be reflected in the newly revised plan.

How to budget—It's tough to break a budget down into its component parts. Not all aspects of budget development can be prepared without first completing the marketing plan and the strategic plan. Sales plans are detailed into sales per month, type of sale, pricing structure to be followed, number of customers anticipated to be sold, advertising to be undertaken, expected results of the various advertising efforts, and promotional money to be spent, including the results of their expenditure.

Once the sales plan is completed, you will need to develop an operating budget. (See list on preceding page.)

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The bright side of night mowing

To keep golfers moving along the course during the day, one now-famous course has begun to mow at night. Here's how it's done.

• Coeur d'Alene Golf Course has implemented night mowing. It can work on golf courses and even on commercial contracting jobs.

Superintendent Dan Moore at Coeur d'Alene Golf Course in the tourist mecca of northern Idaho solved a difficult problem with a logical answer.

Question: How to schedule mowing so crews don't compete with the deluge of tourist-type golfers who frequent the course? Answer: mow at night.

Moore's first concern was lighting the course for trim work. It took two months of experimentation with various lights to find the best floods. Eventually, Moore and his crew devised a hardhat mounted with a high-powered floodlight that lights up to 20 feet. The same lights with a 21-pound battery are now mounted on all the self-propelled rotary mowers.

“Our guys get a real workout,” says Moore.

Similarly, it took considerable effort to find out Ford tractor lights worked best for night mowing because they throw a wide, even beam as well as use low amperes.

The maintenance scenario goes something like this: the last tee time is 4 p.m. to allow the maintenance crew to start mowing at 5:30 p.m. Two crews per hole start their carefully choreographed mowing rounds which manicure one-half of the 18-hole course each night.

Toro 223 mowers pull specially-designed carts with hydraulic lifts. This way, mowers can collect tons of clippings before they have to dump their loads.

The sprinklers, with their on-site weather station, fire into gear minutes after the mowers are finished.

The maintenance crew finishes well before the first golfers tee off in the morning.

The resort uses two Toro 223s to mow the bentgrass fairways, three Toro 216s and two 450-D five-gang mowers to groom the bluegrass roughs. The eight-member hand crew works with two Flymos, four regular rotary mowers and four Redmax reciprocating head trimmers to tend the greens, tees and 4.5 miles of concrete cart paths.

“The biggest hurdle is trying to manicure such massive acreage,” says director of golf Mike DeLong. One hundred-twenty of the 150 acres is neat as a formal garden. “The message is that anything is possible, but it takes manpower and equipment.”

During the day, one crew keeps the cart paths clean. Another edges nine holes, while a third crew's sole function is to pluck petals off the 25,000 geraniums on the course and resort grounds.

In addition to the geraniums, the course has 46,000 petunias, 3,000 pansies, 25,000 junipers and thousands of Austrian pines. Geraniums are hand-watered with a flood nozzle to prevent blasting delicate petals off the plants.

“The owner (resort magnate Duane Hagadone) is striving to be the best, and wants the golf course to be just as good,” says DeLong.

—Leslee Jacquette

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Director of golf Mike DeLong (left) and superintendent Dan Moore initiated the concept of night mowing at Coeur d'Alene Golf Course to cater to tourists.