best practices
GUIDELINES TO HELP AN INDUSTRY GROW

branch offices

No need to reinvent the wheel

BY BRUCE WILSON

Opening a branch office is a big decision for a company. Here are some suggestions:

▷ Don't open a branch office unless your current business is running smoothly and operating at a top-tier profit level.
▷ Develop a step-by-step plan to transfer your good systems to the new branch.
▷ Have a couple of trusted, competent people in place to run the branch.
▷ Preferably, you'll have a significant piece of business as a base to build from. (Many companies build a satellite first, then convert to a branch when it reaches a significant size.)

The next issue is how to build the branch in a way that gives it the best chance to succeed. You can turn up the answer in a single word — control. Vital to establishing a successful branch operation is the system that you use to control it. For example, you must establish limits on spending and set approval levels for estimates and pay increases, to name just a few of the controls you should have. These controls help you eliminate a lot of "surprises."

In other words, you build your branch with defined systems and policies that mirror the base company's procedures. There should be a standard way of doing things like proposals, contracts, estimating, budgeting, and controlling cost. The goal should be to do as much centrally as possible. Whenever possible, use the main company as a hub for doing as much centrally as possible. The goal should be to look for the most efficient way of doing things in a way that overhead isn't duplicated.

Also, make sure that the new branch doesn't develop a culture of its own, to the degree that it ends up being a different company. The customer experience is key here.

And don't forget to establish best practices within your company. You don't want the new branch reinventing the wheel. Decide ahead of time what things will be done the company way and which things can be done differently to accommodate variances at the new branch.

There's a fine line here between allowing an entrepreneurial environment and obtaining consistency of performance.

How to measure success:

Most people in the landscape business consider a branch operation successful if it:

▷ develops into a profitable business,
▷ complements the original company, and
▷ gives customers the same experience that they came to expect from the parent company.

Sound off

What's your experience with starting a branch office? Share your story with the readers of Landscape Management magazine by contacting Managing Editor Jason Stahl at jstahl@advanstar.com.

To comment on this month's "Best Practices" column by Bruce Wilson, contact him at bwilson@wilson-oyster.com. Wilson spent 30 years with Environmental Care, Inc., before partnering with Thomas L. Oyler to form the Wilson-Oyler Group, which offers consulting services. Visit www.wilson-oyster.com.