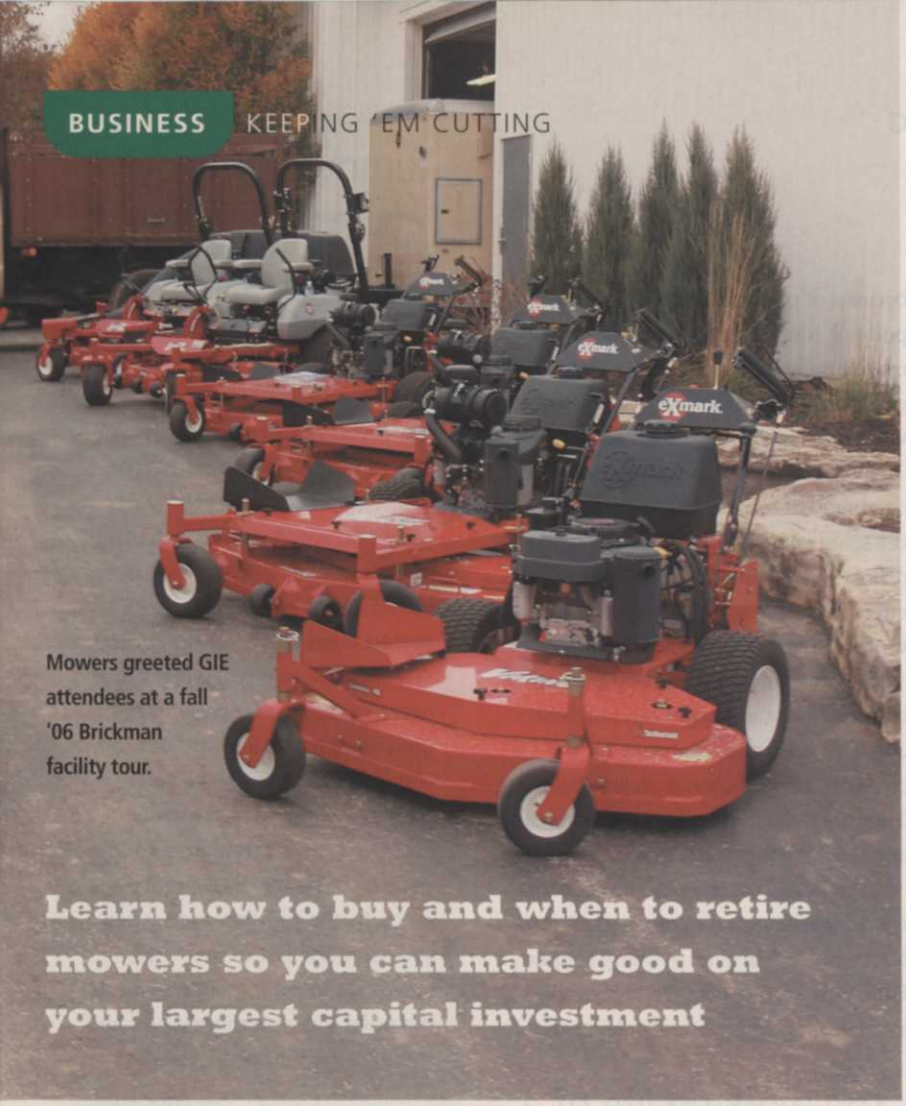

Mowers greeted GIE attendees at a fall '06 Brickman facility tour.

Learn how to buy and when to retire mowers so you can make good on your largest capital investment

Fleet science

BY KAY OHLY

Two landscape trailers pull up at a stoplight. One is loaded with a rainbow of equipment – red, orange, yellow, green. The other is uniform in color, an advertisement on wheels for any given manufacturer. One trailer's machines are brand-new, still shiny. The other contains a range of mowers: a barely broken-in walk-behind and a veteran, workhorse rider.

Which fleet will get the best mileage?

"We have considered whether we can put together a cookie-cutter trailer of equipment that would get a landscaper started in the business," says Edric Funk, marketing manager for Toro Landscape Contractor Equipment. But defining the perfect fleet just isn't that easy.

Neither is predicting how long a fleet will last.

"You can't put a time period on a piece of equipment because that depends on use and abuse, and how equipment is maintained," says Gilbert Peña, commercial segment strategy manager for John Deere.

There's no exact recipe for building up a mower fleet, and there aren't hard-fast rules on when to retire equipment. However, landscape contractors who think business first when investing in their working capital will assemble a more productive fleet. Maintenance records, parts commonality, trained crews and plain-and-simple preference figure into equipment purchases.

"There is not a blueprint on how to do this, but the most profitable and successful landscape contractors make a science out of it," Funk notes. "They look at total cost of operation, and they engage in time studies or deeper analysis other than the initial equipment bill."

Business first

Whether buying a startup fleet or replacing retired machines, landscape contractors should look at their client databases before shopping the dealership. Some questions to consider: Are jobs primarily residential, and if so, how large are the properties? Does a major commercial account warrant investing in equipment to manage an expansive space?

"Study your job requirements first – your lay of the land," Peña recommends. "You make your money go farther by adapting your products to meet your job requirements."

For most, demands call for a variety of equipment: a 21-in. walk-behind, a zero-turn mower, and perhaps out-front riders for certain sites.

The next order of business is to evaluate crew size and operating experience. "In some cases, having more people on smaller pieces of equipment fits in better to an owner's overall plan," Funk says. "Other contractors may need to do with as few people as they can, so they look for larger deck sizes to maximize their production."

These decisions require crunching numbers, of course: deciding whether equipment or labor is a better investment, and calculating man-hours saved either by trading up to larger decks or adding more employees. Meanwhile, the way employees treat mowers determines equipment life span.

"A machine in the hands of an owner-operator will last a long time versus machines in the hands of crewmembers," Peña says. "If you can't control how [operators] use equipment, concentrate on controlling things tied to machine life." These include properly loading, securing and unloading equipment, as well as, routine maintenance: changing oil, filters, belts and blades.

"If contractors overlook the importance of routine maintenance in a fleet, their machines will wear our prematurely and they will literally have no value after the warranty period is over," Peña says.

Warranties typically last one to three years, and contractors can expect mowers to operate smoothly for twice the warranty life. Some don't wait that long, says Cheri Stange of Scag Power Equipment. "Contractors who trade up to the newest models more often generally rely less on backups," she says.

Funk knows contractors whose shiny equipment is an important part of their message to customers. "Some swap out their entire fleet every year," he says. But turning one-third of an entire fleet every year is more common.

"I've also seen contractors' shops full of equipment that is 10 years or older and still gets the job done," Funk adds. "There are people out there cutting all kinds of properties with all kinds of equipment getting the job done."

The question is, are they getting it done without losing money on their equipment investments?

The power of one

Many landscape contractors chose just one mower brand because they're loyal, plain and simple. Others figure their solid-color fleets are more cost effective because of parts consistency, a single point of contact for service (one dealer, one manufacturer), and crews that are comfortable with the brand. These conveniences represent "soft costs," Funk says.

First, consider parts. "If you can choose one brand of mower, you can minimize the spare parts that you carry," Stange explains. "[Many brands] use common parts interchangeable to cut down on the inventory contractors might keep."

Rather than buying three different brands of belts, an owner can purchase one. This is also less confusing for the crewmembers who must change belts. They are trained to replace and maintain one type of equipment well.

Also, brand consistency can reduce windshield time and minutes spent on hold with technical or warranty support, Funk says. "You don't have the complexity of dealing with warranty claims or where you go online to find technical information," he says. One dealer can manage service.

> The working life of a mower depends a lot on use and abuse.
> — **Gilbert Peña**

Too many times, owners make snapshot price-tag decisions when purchasing mowers. "It's easy to do," Funk admits. "If you can save a chunk of money on Product A vs. Product B, it's difficult to not strongly consider purchasing Product A."

But what about costs associated with downtime?

Companies that turn over equipment quickly may address downtime by "retiring" mowers as spares rather than reselling them. "It's worth more to them to have those units to fall back on to keep their crews up and running than to get the relatively small amount of money by selling it," Funk says.

However, Peña advises against investing in brand-new equipment just to keep a spare mower on hand. "You've just doubled your investment," he says simply. Dealers most often provide support and loaner equipment.

The intangible service side of any equipment purchase decision plays a significant role in how long a mower will keep its spot on the trailer. "But landscape contractors rely on these products and fleets for their livelihoods, and they really need to look at the total cost of operation," Funk says. LM

— Ohly is a freelance writer in Cleveland. Reach her via **info@landscapemanagement.net**.

Turnover strategy

Q **I bought three mowers to start a fleet, and I want to get on a regular turnover schedule so I can pace my equipment expenses. Currently, they are all brand new. Should I start retiring equipment early?**

A If you want to get into a cycle of turning over one-third of your equipment each year, start early. You won't want to sell off one piece after the first year, but consider selling a unit that is in perfect condition after the second season. That way, you will get a decent amount of money from the used equipment, and you can reinvest in a new piece. Now, you're working with one new mower, and two mowers that are a couple years old. The third year, retire one more. By the fourth season when you retire the last of your "new" mowers, the equipment may be at the point where it more worn, and you'll be in a turnover cycle.

— Edric Funk, Toro Landscape Equipment