At a time when many landscape businesses are struggling to stay afloat, a few on our LM150 are on the grow.

BY JULIE COLLINS

RCI
Slidell, LA  |  2009 Growth: 26%

Thanks to post-Hurricane Katrina rebuilding projects on the Gulf Coast, the landscaping market in Louisiana has remained strong even as other parts of the country have faltered. It’s what Joe Rotolo, president of RCI, calls the “Katrina effect”—and it allowed the company to grow more than 20% from 2008 to 2009.

“The ability to adjust has been our greatest strength,” Rotolo says. “In the past 10 years, we sold and then bought back our company, endured Hurricane Katrina our first year back, and in doing so re-created our scope of services to meet the immediate demands of our customers.”

In the past couple of years, federal and municipal work resulting from Hurricane Katrina rebuilding became the company’s core revenue source. For that reason, landscape construction was 55% of RCI’s revenue in 2009.

RCI also changed its marketing plan substantially, which helped it significantly surpass its original goal of 10% growth for 2009. “Our customer and service mix changed dramatically from our historical base, so we adjusted our marketing focus to meet their needs,” Rotolo says. “We changed because the market told us to change.”

This involved adding a business developer as well as forming strategic alliances with companies RCI hadn’t worked with in the past.

Although Rotolo doesn’t expect quite as much growth in 2010, now that the majority of the rebuild projects are underway, he hopes to see RCI bolster annual revenue 10% this year. Growth from pool and hard-scape construction, which RCI began offering in 2005, will help.

“It has taken a few years to develop these skill sets;” Rotolo says, “and 2010 appears to be the year we will get dividends from this division.”
A competitive and rapidly changing market kept Greenscape president and CEO Joseph Ciffolillo and his team on their toes in 2009, but some savvy management moves ensured the maintenance and design/build company met its 15% growth goal.

“The growth came as a result of careful strategic planning,” Ciffolillo says. The company redeveloped its website, launched a brand strengthening campaign and a customer relationship management piece, invested in business development staff and training, and jumped on the social media bandwagon.

It wasn’t all about marketing though. Ciffolillo says focusing on the company’s core principles has always been the key to its success. That involves fostering relationships with clients and delivering high value. It also means giving the management team tools necessary to make informed decisions.

Greenscape, which focuses 75% on commercial properties and 25% on private estates and large-scale specialty residential projects, strives to deliver quality while also cutting costs. “We’re listening to clients and better managing our costs,” Ciffolillo says.

For 2010, Ciffolillo expects revenue to stay steady, although the company’s profit centers are changing. “It’s a dynamic equation. Our construction market has softened a lot since 2009, but we’re using that to position ourselves to capitalize when conditions improve,” he says.

At the same time, the company’s maintenance department is moving into new geographic areas. “We’re putting a lot more time and effort into sales growth,” Ciffolillo says, “but we’re also making sure we stay rooted in our core principles.”
Based on the economic climate at the end of 2008, Tree Tech president Andy Felix set the goal of maintaining his company’s annual gross revenue of $7 million for 2009. So it came as a welcome surprise when the company exceeded that goal — by $1 million.

“We knew of opportunities in the public sector that matched our capabilities,” Felix says. “We were fortunate to win some public projects that were good for our company.”

Although the public sector drove the company’s growth in 2009 — and tree removal services were particularly vital — this year Felix sees the residential market picking up. “Since many companies that previously had not been involved are now bidding on public, low-price work, we have steered away from that,” Felix says.

Instead, the company is focusing on acquiring new residential business by marketing its plant health care services. “Homeowners can only sit still for so long before their trees and shrubs become overgrown, and the look of a neglected landscape becomes unacceptable,” Felix says.

In 2010, the company expects a 5% increase in revenue, spurred by an updated marketing plan. Revamping the Tree Tech website was a key goal early this year. “We found a small firm that rapidly increased traffic to our site and knows how to navigate and position us for our goals,” Felix says.

In addition, for the first time in 24 years, the company hired a professional marketing firm. “They have given us some excellent ideas that we will be implementing over time,” Felix says.

For starters, the company will begin its first direct mail marketing campaign to two towns where Felix hopes to develop more residential business. And the web and marketing firms are collaborating to help Tree Tech produce an e-newsletter, which will save the company thousands of dollars on postage and help it maintain a connection with existing customers.

The weather in Dallas cost American Landscape Systems 20 days of work in the last quarter and prevented the company from reaching its goal of 20% growth in 2009. Yet despite that setback, the company increased revenue by 4.8%.

Vice president Joe Angelone attributes growth to the company’s strong municipal presence, which kept it safe during the private market downturn. “In 2009, general contractors performing work for a municipality or a public entity that required bonds was the driving force of our customer base,” he explains. “The projects that were done under bonds guaranteed we were going to get paid in full and, for the most part, in a timely manner.”

Angelone says these municipal customers are a strong component of the company’s work in 2010, which is why he expects to grow 20% this year. He also expects private work will increase through the rest of this year and into 2011, although “not near the quantity prior to the housing bust.”

Irrigation repair and commercial maintenance were steady in 2009, Angelone says, and he expects them to stay strong in 2010. “Clients now want the quickest response they can get because the perception is that none of us are doing anything, and the first one to respond usually gets the work,” Angelone says.

The other goal: Striving to secure as many guaranteed contracts as possible.

“Controlling cash flow to your business will keep you in business,” Angelone says, “and we have been able to do that during the toughest parts of the last three years.”