GROWTH PROFILES

Listening to the mainstream media, it would be easy to think the entire nation is wallowing in an economic malaise, struggling just to survive. That’s simply not the case. Landscape Management talked with the top executives at 12 companies that are not only surviving, but thriving. Read on to learn how they’re doing it.

PROFILES BY CASEY PAYTON
Chris Lee, president of Alvarado, TX-based EarthWorks Inc., says it was some foresight in mid- to late 2008 that set his company up to be the fastest growing landscape company on Landscape Management’s list.

“It was around that time that it became apparent to us that new construction was drying up, and that we wanted to move on to something different,” he recalls. “The writing was on the wall that things were slowing down. There were 12 guys bidding a job, making it difficult to even make any money.”

Lee says it became obvious at that point: Commercial maintenance was not going away, so he began to shift more focus there.

“City ordinances won’t let you grow your grass to 12 in. tall, plus commercial buildings were still invested in keeping up their appearances,” he says. “So we shut down the construction department, kept everyone employed, and just started pushing maintenance.”

Of course, there’s a lot of price pressure in the maintenance market, so Lee says he had to be willing to keep prices competitive.

“What we realized was that even if we couldn’t make a lot of money on a maintenance job, it was our best way to get future work from the client — things like installation, tree trimming and irrigation,” he says. “We were willing to accept the lower-paying maintenance jobs, with the hopes of building a long-term relationship with the client.”

Building that relationship also meant adopting an attitude of “we’re all in this together,” says Lee. “We gave clients some leniency and took some short jobs on maintenance without a lot of profit, just to keep our clients happy in these tougher times,” he says. “Our idea was that things would eventually turn around — and when they did, we’d be the maintenance contractor already working with the client and get the first shot at any bigger jobs.”

That’s precisely how things have played out. With the company operating lean and helping clients through difficult situations as best they could in 2009, they were in the perfect position to take off in 2010.

“We kept our maintenance base strong, and did a lot of good will for our clients,” says Lee. “So in 2010, people started coming to us and saying ‘you worked with our sister property through tough times — I have some work I need done at my own property.’ That’s exactly what we’d hoped would happen.”

Lee says that the company’s good customer service has been the best way to build and maintain those relationships. He makes sure clients always get a call back on the day they called — even if it’s just to say “I don’t have an answer, but I’m working on it,” says Lee. “If you consistently do what you say you’re going to do, you’ll win people over — even the most difficult ones!”
“Look around. Landscape contractors deal with a lot of business issues that are transferrable to other industries. We realized we were capable of much more than we thought. I think our industry suffers from low self-esteem because we’re always told ‘anyone can push a lawn mower.’ But we are capable of much more than that. Remember that adversity creates opportunity.”
Growth tends to start with a clear vision of where you want to be. So says Ron Georgio, president of Gothic Grounds Management (GGM), headquartered in Valencia, CA. That original vision started more than 10 years ago, when Georgio’s brother, Jon Georgio, president of Gothic Landscape Inc., had the foresight to know a bad economy was ahead. To survive, he knew a maintenance division was needed — and GGM was born.

Today, Ron Georgio says, GGM continues to always try and look to the future, the way his brother has.

“It comes down to what the end game looks like,” he says. “We try to think as big as possible — and we’re already talking about what we want our business to look like at the end of 2015.”

Knowing those long-term goals helps workers also know their responsibilities, Georgio says. “Sales are given very specific goals; branch managers are given specific retention goals; account managers are given specific expectations on enhancement sales; and my executive management team understands what they need to do to make our vision happen,” he explains. “Everybody knows exactly where we’re going and how we’re going to get there. We’ve developed a formula — and if we all hit our goals, it’s basically mathematically impossible that our company would not become what we envisioned it to be.”

Besides this internal focus, the company is also always looking to understand exactly what the customers’ needs are, so that they can respond to them, says Georgio.

“We hired a team of master students from UCLA to contact our customers and drill down deeply on how we can better meet their needs,” he says. “We got some very surprising, but helpful information from that. We also do regular monthly and annual customer surveys to find out what’s important to them. One thing they’ve told us is that they want more in-house services, so we responded to that by adding arbor care and chemical treatments — two services we’d previously outsourced.”

The company has continually seen growth over the years, and grew 14.4% in 2010. But Georgio says that this rapid pace of growth has meant extra effort on his part to keep that family culture with which the business started.

“We’ve grown from a couple million in 2000 to $24 million in 2010, and are now projecting $28 million for 2011,” he says. “We’re a family company, and want to maintain that family culture,” he concludes. “I block out time on my calendar regularly to make sure I’m visiting every team at every location. We currently have nine branches, and I try to get to each of them every single month.”
Lucas Tree Experts in Portland, ME, has always focused on organic growth. This year, it saw 23.9% growth.

“We focus on growing internally because we feel there are less culture pains than through acquisition,” says CFO Arthur Batson III.

“Strong management has been the key to our success,” he continues. “We’ve developed a manager-trainee program that begins near the corporate office so the manager understands our culture, work ethic and business practices, so they can be successful when they are moved to a new location.”

Lucas Tree Experts was founded in 1926 to help the local power company complete the electrification of rural Maine. Today, it focuses on tree work, integrated pest management (IPM), lawn care, mosquito and tick spray, lighting and utility line clearance.

Since its beginning, Lucas has hurdled many obstacles. The company’s most recent challenges include the training of the labor force. It’s something that Batson says the company has worked to overcome by relying on its strong management team.

“We have developed management systems and business practices to streamline the training and focus on an identification of skill sets, so we can put the proper people in the correct locations to succeed,” he says.

With the right management in place, Batson says the company is projecting growth again this year.

“Our growth has come and will continue to come because of the leadership of our management team,” he says.

He adds that Lucas works hard to empower top managers “to be the face of the organization, so that employees recognize that a successful company is about the team, and not just the owners.”

“Growth is only good if it is profitable growth. I see a lot of companies that just want to get bigger, but we would rather give up growth to increase profitability — and more importantly, predictable profitability.”
Mark Forsythe says his company’s success in 2010 comes down to good old business practices. “I wouldn’t say it was anything particularly special or unique that we did to have a successful year,” admits the president and CEO of Fishers, IN-based Mainscape. “There are a lot of basic business principles that you read about in magazines like Landscape Management that seem simple enough, but many people don’t actually apply them. We just try to be diligent about actually applying those best practices for our business.”

Clearly, the company succeeded at that goal: It saw 22.4% growth. But Forsythe points out that its annual average growth rate has always been around 20%.

In addition to applying smart business practices, Forsythe says it’s the people and the culture that have made a difference in the company’s success. “I know that’s something that everyone says, but it’s definitely true,” he emphasizes. “Having really good people makes a huge difference.”

Because the company places so much value on employees, Forsythe says there’s a constant effort to foster a positive working environment. “We make sure to provide employees with the framework and infrastructure to succeed,” he says. “Plus, we just try to create an atmosphere that’s fun to work in.

“I believe that our people enjoy working here. We’ve created an atmosphere where they don’t just come in to get paid, they actually enjoy getting up and coming to work. “There are enough difficulties in life,” he adds. “If we can make everyone’s job a little easier, it pays off. We want to have a positive impact on peoples’ lives — both within our company and with those we work with.”

Of course, it’s also important to foster a great relationship with clients, he says. “We view our work as a partnership with our customers, and we have a great team that is committed to our customers’ success,” he concludes. “That has enabled us to expand our existing relationships, and develop exciting new relationships, as well.”

“We are projecting 20%-plus growth for 2011 and targeting 20% growth in 2012. It comes back to the company culture and motivation that we’ve developed. Our people have the opportunity to grow, develop and take on new challenges. It’s really our people who continue to drive our growth.”
In 2010, PROscape Inc. grew by 21.9%. Larry O’Dell, president of the Orlando, FL-based company, says a combination of products, services and people contributed to its success. “Growth has as much to do about the quality of the product and the level of the customer service being delivered as it is about any other facet,” he says. “Of course, in this economy, you need to market the business. But true growth comes from having the right team in place, delivering a quality product and great customer service.”

To deal with the pressures of the economy, and an increasingly competitive market, O’Dell says the company really focused on getting more referral business. He says referrals are always great business in that they’re less expensive, less time-consuming and have a greater closing rate. “As the economy suffered and continues to suffer, a major component of our growth over the years — new community development — suffered with it, and continues to suffer to this day,” he explains. “So with shrinking revenue in 2008, we decided to diversify our portfolio, entering two additional client markets: Hotel/Resort and Apartment Community.”

In the latter part of 2009 and throughout 2010, PROscape began to see a payoff, with several area hotels and apartments giving the company new opportunities. Today, the hotel and apartment markets represent slightly more than 5% of PROscape’s business.

“In addition to the two new client markets, we also implemented a new branch location in South Florida and saw earlier branch locations, started in 2006 and 2007, mature and develop into formidable branch operations,” O’Dell says. “Having a larger audience through expanding our client market and opening branch operations certainly afforded us additional opportunities that we wouldn’t have otherwise had. Considering the downturn in the economy, we were thankful to have opened the additional branches at a time when we did.”

But O’Dell says PROscape’s relationship with its employees has shown the most dividends. All of the company’s people are striving toward a common goal, and that unification has strengthened the business, O’Dell says. In 2008, as the economy really began to decline and budgets were constricted more than ever, PROscape allowed the managers to take on a greater role in the budgeting process. “Obviously, for some time the managers had budgets from which they operated, but by 2009, we had really expanded their involvement to include every aspect of the day-to-day operations — including both direct and indirect cost,” he says. “As a result, we feel the team became more and more like a true team, focusing on common goals, sharing in victories and agonizing over losses. With renewed perspective, managers started thinking outside the box and becoming much more creative, with a greater level of accountability.”

“People often equate growth with a better sales staff or better marketing,” he continues. “Both of these are important, but the reality for our business over the past year has been a team more focused on quality results and better customer service.”
Ten years ago, an important goal was set at Wilton, CT-based Hoffman Landscapes, Inc.: The company would grow its snow business to the point where, despite the fact that it basically closed down normal operations for three months, it wouldn’t come out of the off-season at a loss (due to fixed expenses and employees).

Despite the rough economy, the company has reached that point. It actually saw 21.8% growth this year.

President Michael Hoffman reports that several factors came into play. The first was continuing with marketing efforts. When many cut costs in this area, Hoffman pushed forward. Referrals remain the No. 1 source of new customers, he says, followed by the Internet and then direct mail.

Customer service was another contributing factor to the company’s successful year. “It’s the reason why referrals still work for us,” says Hoffman. “The overarching rule is that you do what you say you’re going to do. And, if you make a mistake, fix it.”

One way that Hoffman offers exceptional customer service is by being sure customers can always reach someone. He has actually left his cell phone and home phone numbers on the company answering machine. “I’ve had a lot of people say they can’t believe I give that out to customers, but the truth is, customers don’t call that often — they’re respectful,” he says. “If they do call, it’s typically because they really need us and I don’t want to miss that call.”

Hoffman says it’s also becoming “irreplaceable” that helps retain customers and gain new ones. He says the perfect example would be a customer calling at 3:30 p.m. on a Friday afternoon saying they’re having friends over for the weekend and would love the patio blown off.

“A lot of companies might just think it’s a pain in the neck, but I view it as an opportunity,” he says. “In fact, it’s probably the best opportunity you’ve had all week to become irreplaceable. And once you gain a customer’s trust like that, you’ve easily built a long-term relationship.”

Finally, Hoffman says that the company's success can be attributed to the fact that it has always been growth-focused and didn’t lose that perspective when times got tough. In fact, out of 25 years in operation, there was only one where the company didn’t grow. He believes growth is closely intertwined with employee retention.

“High retention is not possible without growth, and vice versa,” he concludes. “You can’t keep your employees if you’re not growing. You’ve got to keep them interested.”
Jan-Gerrit Bouwman, partner, Grant & Power Landscaping Inc., in West Chicago, IL, says many factors went into the company’s 201.3% growth in 2010. But the key combination was making good decisions and pushing customer service and loyalty more than ever.

Expanding the residential maintenance side of the business was one of those good decisions. Residential design/build had been flat, and it was obvious that maintenance would become the driver behind their continued success.

“Our staff is doing a really good job maintaining these properties and keeping our customers happy,” says Bouwman. “But it’s also our lifetime warranty that is helping boost these sales. If we install it, and the client signs up for year-round maintenance, they will get a lifetime warranty on whatever we install. That’s been really successful. Of course, it’s because our people continue to do a quality job maintaining these properties and fulfilling the warranty when needed that the program has been so successful.”

While 2011 has been a tough year for the company — Bouwman says he believes that lost confidence in the stock market is likely playing a role — they’ve continued to hold pretty steady.

“Last year we grew, and this year we haven’t, but we feel fortunate to even be doing well when times are so tough,” he says. “I think everybody is seeing some harder times again this year, and we’ll get through them like we always have. It’s tough when clients start postponing jobs because they’ve lost confidence and are a little more nervous about the stock market than they might have been previously. But we’re managing to push forward.”

Bouwman says that pushing ahead has meant a strong focus on customer service, which will hopefully put Grant in position for a better year ahead.

“Service, quality and value for the dollar continue to be the most important factors,” he says. “More people are looking to get the most bang for their buck. That’s putting pressure on the price, so we’ve had to remain competitive. But that’s what we’ll continue to do. We want to go out of our way to keep our customers happy.”

“We will continue to do what we can to keep customers happy. We will also continue with an investment in marketing and getting our name out there. We have managed to get in the news a lot, and that helps with recognition. People see us. We’ve gotten awards, and that’s landed us in some magazines and helped build upon our good reputation.”
A phenomenal snow year catapulted Glen Allen, VA-based James River Grounds Management Inc. to 20% growth last year. But President Maria Candler says that snow is never something that can be counted on or budgeted for, so the company always plans ahead for ways it can be strategically prepared to take care of as many customers as possible, should it wind up being a season of heavy snowfall. Last year, that planning paid off.

“Utilizing subcontractors and beefing up our snow removal possibilities were great ways to grow in 2010,” says Candler. “Snow can really give a nice padding to the bottom line, so it’s important to be ready.”

Because Candler wants her management team to really get an idea of how things are running, she often takes snow out of the P&L. This helps produce a steadier idea of the year’s performance.

“Even when we took that number away, we were still able to grow our business by 6% in 2010,” says Candler. “We’re excited about that number, since most companies struggled to grow this year. We feel proud that we were able to achieve growth — even without Mother Nature’s help.”

Candler attributes the ability to grow to the company’s culture, noting that the entire structure of the organization has been built around creating career ladders for employees.

“We look for people who have the desire to move up, and that puts positive pressure on our team to deliver,” she explains. “We make sure our people know we’re invested in them, and in return, they invest in the company. We’re a company that’s always poised to grow.”

While the company continues to push forward, Candler says it hasn’t been without some challenges. She says that sales are never the problem; even in this down economy, James River Grounds Management has been able to retain clients. Her biggest obstacle is in finding people who are willing to take on tough labor jobs — and she says she believes the government hasn’t made it any easier.

“That’s my biggest frustration right now,” she says. “The government is taking away a great resource for legal labor, and that’s hurting business.”

But Candler says that the company will weather these changes. “Innovation happens when things get tough, so we continue to persevere,” she says. “You get better when thrown into challenging situations — and at the end of the day, I don’t let negative influences stand in the way of where business is headed. Some great things have come out of this year, even though it hasn’t been the easiest business environment we’ve had.”

“I don’t predict any drastic changes with the economy, so I think business will be a repeat of what we had last year: slow and steady. It’s not hitting it out of the ballpark like we used to, but in this economy, I’ll take 5% or 6% growth without snow padding the bottom line. That’s something to celebrate.”
Larry Ryan, president of Ryan Lawn & Tree Inc., Overland Park, KS, says one of the company’s goals has always been that every person be committed to growth. That goal is made easier by the fact that the company is 70% employee-owned.

“The employees get an ownership letter each year that shows how many dollars of the company value they own,” Ryan explains. “We almost doubled in value last year, so some of the people made as much money off the stock increase as they did off their salary. That really opens their eyes — and they become invested in selling the company to our customers.”

Certainly all of that is paying off, as Ryan Lawn & Tree saw 18.5% growth last year. Ryan says that part of that growth has come from well-thought-out mergers with other companies.

“We really care about our customers and our employees, so in order to make a merger work, we have to find a company that has the same attitude as us,” he says. “We want to merge with companies whose leadership still wants to work. We don’t want anyone sitting around. That’s not just our philosophy; we feel it’s a principle of life. The American dream is working hard to get ahead, and that’s something we believe in. In a great company, the owner never quits.”

Ryan also says the company has a focus on continuous improvement.

“When you have growth-oriented people working for you, they’re always looking to solve problems and find ways to move the company forward,” he explains. “With the employees so invested in the company, it’s not just me solving problems. It gives tremendous empowerment when you allow the company as a whole to be involved in problem-solving. They literally take control of their jobs. We’re not just telling everyone what to do. They’re making their own decisions. I feel that our commitment as a group is what helps us to get ahead.”

But Ryan says it wasn’t always this way. There was a time, several years back, where there was some inter-department rivalry. However, he says that all it took was a bad ice and wind storm where the departments had to work together for them to realize each other’s strengths. He says he now believes that departments working side-by-side is the solution to animosity.

“Having our departments really feel like a team and being willing to work together has been a great asset,” he says. “We definitely have some wonderful people here.

“If you’d told me 25 years ago that I’d be privileged to work with 175 great people, I wouldn’t have believed it,” he concludes. “It humbles me to look at where we are today, and I give my people all the credit.”

“Don’t play to be second-best. We’re an organization that plays to be a company that the competition admires.”
What did it take to grow Jim McCutcheon’s landscape business this year? Not thinking like a landscape business, says the CEO of HighGrove Partners, LLC in Atlanta, who saw 18.3% growth this past year.

“I think a lot of folks are really focused on the horticulture aspect of the business, which is indeed important — but at the end of the day, that doesn’t speak well to the difficulties our customers are facing,” he says. “We have really developed our operations, services and products around the idea of trying to make our customers’ lives easier, and that’s paid dividends for us.”

There’s no question that the customers in this market are feeling the impact of tough times. Atlanta had the largest number of bank failures of any city in the nation, and that’s largely because so many were invested in real estate. McCutcheon says that when he moved to Atlanta as a kid, he can still remember the day in 1959 that the population sign turned to 1 million people. Today, the city has approximately 4.2 million residents — and the Atlanta metropolitan area adds at least another million more.

“The crash of the housing market has really hurt us as a city,” he says. “We were definitely hard hit, and that’s scarred people.”

McCutcheon says there are approximately 3,000 landscape companies in metro Atlanta, so competition has always been fierce: “I think those that really focused on differentiating themselves and positioning themselves in the new market are the ones that are still doing well.”

One of the things that HighGrove Partners has done differently this year was to develop a division called Land Services, which capitalized on opportunities the economic situation has created. To head up the division, the company brought back Craig Morris, a former senior member who had left to become a developer.

“This division enables us to become the adjunct staff for a lot of the developers we work for, because so many don’t have staff available anymore,” he says. “So instead of just being involved in the very beginning of a project, we are now able to bridge the middle and do a lot of the development services for them that we previously wouldn’t have handled.”

Of all the factors that came into play for a successful year, though, McCutcheon says he credits the leadership team the most. “Even through these difficult times, they never lost sight of the importance of our culture,” he says. “We’ve continued to promote the same work culture we always have, and that’s helped us get through this.”
Schultz Industries’ motto is “Come Grow with Us.” It’s obviously a pun for its customers, but it’s also fitting for the company, which saw 16.7% growth this year.

Eric Schultz, president of the Golden, CO, company, says that what it took to grow in this tough economy was focusing on overhead recovery.

“We focused incredibly hard on making sure we captured enough work to maintain our overhead recovery, while still putting a few points on the bottom line,” he explains. “As a result, we got pretty competitive and pretty lean. Our capture rate has gone up tremendously.”

Schultz points to adaptability as one key to his company’s success. While other companies are still waiting around for things to return to where they once were, Schultz says he’s continued pushing forward, accepting that this may just be “the new norm.”

“The only way to survive and ultimately grow is to figure out how to operate in this new environment,” he says. “While we used to make maybe 10% or 12% on a job, we’ve decided we can live with 2% or 3%. We’re still putting dollars in the bank and paying the bills. It’s the people who are still trying to make what they used to who just can’t adapt and survive.”

One of the hardest decisions Schultz says he had to make was downsizing his management team. While it was a painful move, it helped the company weather some of the tougher economic times. And now that the company is seeing some growth, he’s bringing some of his people back on board to help manage that growth.

Overall, Schultz Industries’ construction division saw the most growth this year, and maintenance continues to go strong, becoming a “staple service,” Schultz says. He adds that continuing to invest in a marketing program has also paid off in keeping these divisions thriving. And as another year approaches, Schultz says he’ll continue to push these two services to drive continued growth in the future.

“I’ve been through four or five of these downturns, but none has ever been so severe. It was because we fought back by becoming lean and more competitive that we pushed growth in this current downturn. We figured out how to survive in the ‘new norm.’”