

By Heather Taylor

A tale of two businesses

Whether they've seen ups or downs in the past year, two full-service lawn care companies are working toward a similar goal.



A snapshot of two lawn care and landscape companies over the past year conjures thoughts of the opening of Charles Dickens' classic, "A Tale of Two Cities" — "It was the best of times, it was the worst of times..."

That might be a bit drastic, but the fact is that the economy, weather and other factors are causing some contractors to suffer drops in one or more business segments this year. Still, others have enjoyed upticks in certain segments and are scrambling to bring in the appropriate help to manage the growth.

These two relatively new companies — each led by an industry veteran — differ when it comes to the level of success in certain areas of their businesses in the past year. They have at least one thing in common, though: a desire to fine-tune business practices to ensure that situations beyond their control don't batter their bottom lines.

Selective growth

Curtis Depner has worked in the Green Industry for more than two decades, but it's the business aspect that has provided the biggest learning curve as he went out on his own.

"There are always things I'm learning," says

Depner, owner of Richmond, IL-based Landscape Services and Management. "Even to this day, after two years in business, there are new things I'm encountering — from managing the office to the field personnel and account managers. All ends of the business."

Landscape Services and Management employs 20 in the peak season and brings in about \$1 million per year in sales. Depner has seen revenues increase in all his service offerings over the past year.

Depner says the jump is partially due to his company's marketing strategy, which includes newsletters that are sent to clients every two months, small postcards that update clients at the beginning of each season, and letters introducing new hires. He and the account managers also put in plenty of face time with clients and prospects. This includes meetings with property managers at commercial properties.

In addition, Depner focuses on creating good word-of-mouth marketing by striving for good customer service.

"It's definitely an aggressive field; there's a lot of competition out there," he says. "Service is key — we're making sure we're visible and communicating with our customers."

He learned from the downfall of his last employer that maintaining an even business mix can be essential to survival. His customers are 50% commercial, 25% retail/commercial and 25% residential.

“I learned not to have all my eggs in one basket,” he says, adding that he wants to have other sources of income lined up when, for example, commercial customers may scale back on services because they’re trying to lower costs.

“Right now I’m seeing the residential end spend more in extras, such as additional planting, hardscape, retaining walls, mulch and flowers,” Depner says. “The commercial customers had to dig into their budget from the landscaping end to pay for snow plowing.”

Many homeowners are looking to add value to their properties, he added, acknowledging that business still isn’t what he believes it would have been if he were in business a few years ago.

He also tries to ensure business is steady by insisting on cross-selling maintenance and snow contracts, and he’s not opposed to turning down contracts if he doesn’t think that’s possible.

“When I look at contracts, I’m very selective,”

he says. “On any maintenance contracts, I look at opportunities to get the snow removal contract as well. I don’t like to just take one or the other. I also like to lock in the customer for a 12-month program.”

Depner also strategizes to make sure the company doesn’t bite off more than it can chew in other areas as well.

“I watch our overhead make sure we’re not too large,” he says.

He has rationalized a couple new hires — industry veterans — in recent months because of increased demand. He says the new employees’ experiences, reputations and contacts should help the business continue the healthy growth.

“I know it’s an investment that will pay off in time,” he says.

Contending with Mother Nature

Lawton, in southwest Oklahoma, is a military town, so a good chunk of Brian Honeyager’s business could dry up when soldiers are reassigned. Still, Honeyager, owner of All American Landscaping and Lawn Maintenance, has found a way to increase his lawn care business 100% from last year to this

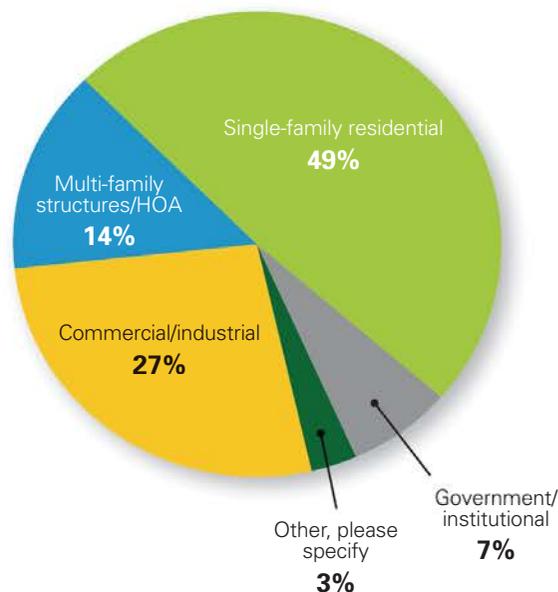
FINDING OPPORTUNITY

Contractors rank the most advantageous revenue opportunities.

1. Residential design/build/installation renovation
2. **Commercial maintenance/mowing**
- T-3. Residential maintenance/mowing
Snow and ice management
5. **Chemical lawn care services**
6. Commercial design/build/install renovation
- T-7. **Irrigation/water management**
Green/sustainability services
- T-9. Water features/pond installation and maintenance
Landscape lighting

HOME IS WHERE THE MONEY IS

In which ONE customer segment do you see the best opportunities for growth for your company in 2012?



SOURCE: LANDSCAPE MANAGEMENT



year. His business is only a couple of years old, but like Depner, Honeyager has more than two decades of experience in the Green Industry.

He's also had uncontrollable circumstances to deal with in 2011 — the region has had about five inches of rainfall so far this year — extremely short of the annual average of about 30 inches. Drought-like conditions have persisted.

People don't want to replace their dead shrubs or plant new ones because they know it'll be a lost cause unless they can devote a lot of effort to watering. Honeyager doesn't try to persuade them otherwise, because he knows they will be disappointed with the results if they can't manage to keep up with the watering.

A more drought-tolerant, low-maintenance option hasn't sold well either.

"Customers are interested in the Southwest look, like you see in Arizona and New Mexico, until they realize the cost of getting sand or gravel and the different plant varieties in there," Honeyager says.

All of this leaves him with a 75% decrease in his design/build business compared to last year.

All American has been compensating with increases in other areas of the business. Honeyager had 70 lawn maintenance accounts in 2010 and lost 20 at the end of the season, mostly due to military relocations. This season, he's up to 110 accounts, and his weed spraying service is selling well.

Honeyager has also been focusing his efforts

on educating his clients about these other areas of business and learning what they want. He mailed a survey of about 30 questions to his clients to get feedback on the company's service and quality of work.

He also reaches out to prospects with marketing materials in an effort to uncover new leads. Last year, two employees took 5,000 flyers door-to-door. He sent an additional 4,000 pieces out this year and plans to increase his reach again next year.

Honeyager calculated that it takes 50 labor hours to distribute 5,000 flyers. It costs about \$200, as opposed to \$1,500 to \$3,000 for the same amount to send a mailer. The flyers produce about a 1% response rate.

To further spread the word, he created a Facebook page to keep clients and prospects informed about the business and share tips about good lawn and landscape maintenance practices.

Honeyager isn't too concerned about the near future. He expects his design/install business to come back in a big way next season — weather permitting — because of the postponed projects in the pipeline.

"I'm starting to pull out a lot of dead shrubs," he explains. "People are asking about replanting. I say wait until next year and see what (the weather) is going to do. I have a feeling my design/build business will be really good next year." **LM**

PULSE PROFILE

A TALE OF TWO COMPANIES: BY THE NUMBERS

LANDSCAPE SERVICES AND MANAGEMENT

Richmond, IL
Principal: Curtis Depner

Total revenue	30%
Irrigation	up 10%
Lawn Care	up 15%
Design/Build/Install	up 30%
Maintenance	up 30%



Curtis Depner

ALL AMERICAN LANDSCAPING AND LAWN MAINTENANCE

Lawton, OK
Principal: Brian Honeyager

Total revenue	110%
Lawn Care	up 100%
Design/Build/Install	down 75%
Maintenance	up 40%



Brian Honeyager