

MY BIGGEST MISTAKE

LESSONS LEARNED THE HARD WAY » BY CASEY PAYTON



A landscape business owner says failing to recognize the good times caused him to miss out on strategic opportunities.



Mark Ahronian learned recognizing the good times is key to surviving the bad times.

COMPANY: Ahronian Landscaping and Design Inc.

HEADQUARTERS: Holliston, MA

NO. OF EMPLOYEES: 10

SERVICE BREAKDOWN: Design/build: 80%, Maintenance: 20%

CLIENT BREAKDOWN: 95% residential

WHILE GETTING
IN a groove can be good for business,

Mark Ahronian, MCH, president and designer of Ahronian Landscaping and Design, Holliston, MA, says he now recognizes the importance of paying closer attention to the “ups and downs” and making business moves accordingly. That includes making bigger moves when times are good — something Ahronian says he failed to do. In not recognizing the good times, Ahronian says he missed out on the opportunity to purchase equipment and grow the company.

“Instead of recognizing that we were in really good times, I felt it was the ‘norm’ and it was what I could expect out of business as we moved forward,” says Ahronian. “I never thought things could get so bad.”

But they did, and Ahronian says that putting off equipment purchases that could have made the company more efficient was a bad decision. “I was being conservative by putting off equipment purchases, but now nobody is lending, and it’s incredibly difficult to make large purchases,” he says. “Being too conservative for that era of time — when business was good — has been my biggest mistake.”

Gauging good business

Ahronian says being able to recognize good times is the first step in knowing that it’s okay to be a little more aggressive with purchases. “If you’re booked for eight weeks or more, that’s likely a good indicator that business is good and you should start thinking about new or different equipment that can make you more efficient,” he says.

“When business is good is the time to analyze your efficiencies and make sure you’re getting the most out of billable hours. It may not just be field equipment — it might be something in the office. Maybe you need a new computer system to keep up with the flow.”

Follow the ups and downs

Part of gauging when times are good is following the ups and downs. Ahronian says that his previous method was just “floating along” — especially when times were good. “Now I realize that if we’d been more on top of things and recognized how good the times were that we could have made more money and been better prepared for the bad times,” he says. “Many small business owners don’t plan ahead for bad times because it’s easy to get comfortable and float along in the good years.”

But in 2009 Ahronian had the worst year in his company’s history. He had to lay off an entire crew and found himself caught in a Catch-22. “I no longer had the labor crew, so I really needed the equipment. But I hadn’t made those purchases when times were good. I found myself in a really tough spot.”

Don’t rest on your laurels

In moving forward, Ahronian says the biggest lesson he’s learned is not to rest on his laurels. He says he’ll never again assume everything will be fine.

“I look at things a little backwards now,” Ahronian admits. “The next time we have a really good year will be the time I say, ‘Uh oh, what do we have to do to prepare when the bottom falls out?’ I’m always going to be on my guard whether times are good or bad.”

Ahronian also has changed the way he sets prices. That used to be done in the spring of each year but now he reassesses prices every month. “Prices for materials are fluctuating every month, so you constantly need to be looking at what you’re charging,” he says. “I’d also advise not pricing jobs out too far in advance. The bottom line is that you have to be prepared. You don’t have to spend your life worrying, but you can’t assume everything is always going to be fine.”

Payton is a freelance writer with six years of experience covering landscaping.