Eichenlaub Inc. nabs back-to-back honors

Three tips for success from LandOpt’s two-time Contractor of the Year.

By MARISA PALMIERI

As Dan Eichenlaub can attest, it’s always possible for a solid company to run a tighter ship. He’s the president of Eichenlaub Inc., a design/build and maintenance firm based in Pittsburgh with just under $5 million in annual revenue.

In January the company was named the Contractor of the Year in the LandOpt network for the second year in a row. The back-to-back recognition is due to the culmination of hard work over many years to improve the company’s outlook, plus impressive growth, such as a 30 percent year-over-year revenue bump from 2011 to 2012.

An engineer by education, Eichenlaub is always looking for tools and systems to help him improve efficiency. That’s what appealed to him about joining LandOpt, a service organization that licenses the use of business systems for a network of landscape contractors. Eichenlaub Inc., founded by the six Eichenlaub brothers in the wake of Hurricane Agnes in 1972, was one of the original licensees in the network, which now includes more than 20 landscape businesses spread across the country.

Here are three contributing factors in Eichenlaub Inc.’s success.

1. Recurring revenue. Before joining the LandOpt system seven years ago, 20 percent of Eichenlaub Inc.’s business was recurring revenue, such as maintenance and irrigation services. Today that figure has nearly doubled to 38 percent. “That’s by design,” Eichenlaub said. “Our goal is to get to 50/50. We see the value in landscape management, and we’re growing it at about twice the rate of our project work.”

2. Empowering people. “Most businesses will hit a threshold where your key staff—in my case it was myself and two other people—are carrying all the load,” Eichenlaub said. “Now we don’t have that. Now I’ve got the right people, we give them the right tools and training, and it’s fun.”

One thing Eichenlaub has been working on is engaging frontline employees so they always know if the company is “winning” or “losing.” “The guys in the trenches need to know because most people want to contribute,” he said. “We’re learning how you pick the right indicators so on a routine basis they can look at the scoreboard and see if we’re winning or losing.”

What indicators are best to share? There’s no easy answer, Eichenlaub said, noting you have to start by talking to the team about how their roles impact the whole company. Some metrics to consider are revenue per man-hour or for salespeople, the number of client introductions they make. “They have to mean something to the people using them,” he said.

3. Systemizing sales and marketing. “The key is to know what you’re selling,” Eichenlaub said, acknowledging that his company didn’t always target the right client niche. Another tip is properly handling prospect calls. “When people are calling to buy your services, they don’t think, ‘Am I walking into the wrong dealership?’” Eichenlaub said. It’s the company’s job to qualify customers and not be everything to everybody. “My company was like that, and LandOpt helped us get focused,” he said. “You have to remember you’re not a landscape company. You’re a landscape company to a particular segment of the buyers.”

“It’s all really coming together nicely now,” said Eichenlaub. “We’re meeting or exceeding our sales plan and always getting closer to what we ideally want to be. We owe it to the entire team. Everyone is empowered in their roles to make a difference.”

From left, LandOpt Director of Success David Gallagher; Eichenlaub sales professionals Ryan Johnson, Anthony Smith and Kevin Pratt; Dan Eichenlaub; and LandOpt Success Coach Steven Bach accept their Contractor of the Year award in 2012.
It was lunchtime. My plane was still on the ground in Chicago, where it would stay for a very long time. Suddenly, I had six hours to kill in a Lansing, Mich., hotel restaurant. And there’s only so much you can eat and drink in that span.

As I passed hour upon hour working at a small table, the diners next to me came and went. They all had two notable things in common: They were Michigan State University undergrads. And they talked about internships and part-time jobs they had just gotten.

“It’s in finance and it pays $17 an hour,” one student told his friend of his internship offer. “It’s a good opportunity, but it’s so many hours. I’m not going to have any free time.”

“Just take it,” his friend said. “It’s only for three months. You’ll be done by May.”

By the end of the lunch, the girl had talked her friend into taking it. And so it went throughout the day. Even as I looked around the restaurant, the entire staff looked to be students. They were cordial and fast and had it together.

I thought about my college days and had to laugh. I was too busy having fun and making it through the semester to worry about much else. I did have a summer internship, but it wasn’t my idea. It was at a local radio station, and I spent more time at the mall buying the DJ soft pretzels than I did actually working.

But on this day, with each passing shift and each new twosome that sat down next to me, I was more and more impressed. Impressed by the students’ ambition, their discipline, their maturity.

As 6 p.m. neared, a student and her mother dined over pulled pork sliders and a Caesar salad. “I had three interviews today, and they all went really well,” the student told her mom. “And I have two more lined up for tonight.”

Through the window behind me, I noticed out of the corner of my eye a sea of students streaming down the hall. The girl said they were all there for a career fair. Suddenly the common theme of the day’s conversations made sense. It was a frigid, snowy night in the single digits, yet the lobby was crammed with hundreds of undeterred students. It was heartening to see so many of them with such promise.

The Professional Landcare Network’s Student Career Days is about a month away. Will you be there? How’s your internship program looking? These students will be graduating in a few short months. With an increasingly competitive environment for talent, what are you doing to attract them?

Reach Geraci at bgeraci@northcoastmedia.net.
Late last year McKinney Capital, a Birmingham, Ala.-based private equity firm, added to its portfolio of landscape companies when it bought Grounds Unlimited, also based in Birmingham. Terms were not disclosed.

The intent is to merge Grounds Unlimited with Landscape Workshop, which McKinney acquired in early 2012, by the end of the year, Sam Eskildsen, managing director of McKinney Capital, told Landscape Management. Memphis, Tenn.-based Environmental Landscape Service, acquired in September 2011, also was rolled into Landscape Workshop last year.

“We’re in the process of building a regional platform in the Southeast based around the Landscape Workshop brand,” Eskildsen said.

As is the case with ELS, Grounds Unlimited’s management will stay in place.

“We recognize that in the grounds management space, relationships drive the business,” he said. “We very much want to keep those relationships, that’s why we prefer to partner with the existing team, and we’ve managed to achieve that in most cases.”

For “add-on” companies like ELS and Grounds Unlimited, McKinney looks for those with 80 percent or so of revenue coming from commercial maintenance clients. Landscape Workshop has a construction division that services the other locations if necessary.

McKinney, whose portfolio includes many service-based businesses with mobile workforces, hopes to grow the Landscape Workshop brand by adding one or two companies a year. Right now it’s targeting Memphis; Birmingham; Huntsville, Ala.; Tuscaloosa, Ala.; Jackson, Miss.; Nashville, Tenn.; and Chattanooga, Tenn.

Eskildsen says McKinney isn’t a “traditional” private equity firm, meaning it doesn’t operate with a highly leveraged model.

“That allows us more flexibility,” he said, explaining the company is completely funded by the McKinney family and doesn’t take on limited partners who need their investment back within a specified time period. “We’re a family-based private equity company. It’s private equity by any stretch of the imagination, but we take a longer view. Our charge is to build great businesses and we don’t ever have to exit these if they’re great businesses.”

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**CLOCK BOX**

The CLOCKBOX will come in one size 14x17x10 this will fit most outdoor irrigation controllers, this unit will also be powder coated hunter green and come with a removable front cover for access to the unit the locking mechanism will be (2) security hex pin locking bolts and will come with two unlocking bits one for the owner and one for the irrigation or maintenance tech. This unit wholesales at $259.99 and the MSRP is $439.00. Our contractors installed pricing is $539.00 and this also installs in less than 20 minutes. By installing this product this assures that no unauthorized person or persons are tampering with the irrigation controller and will also protect it from being stolen.

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