Irrigation pros hash out how to make service pricing profitable for themselves, fair for clients.
If only irrigation professionals had X-ray vision. 

It would eliminate that part of the service call that takes an inestimable amount of time. The part when they must dig up the yard to locate the underground glitch they were called to repair.

That might hearten more of them to charge on a flat rate for irrigation services like Colleen MacKinnon does.

While the co-owner of Able Irrigation in Vancouver, Canada, lost hope for X-ray vision a time ago, she has a hard stance on employees getting paid for every bit of time it takes to complete a job and giving customers no leeway to dispute it.

Flat-rate pricing accomplishes just that, MacKinnon says.

“Clients have a stopwatch mentality, but they like flat rates knowing what the cost is per repair,” she says. “Billable hours never amount to eight in a day,” she adds with mention that the average is five and a half billable hours per day, but you must account for “windshield time,” or travel to the job site, and allow employees some flexibility to locate buried problems, such as for pipe and wire repairs. “I’ll never go back to time and materials.”

FAIRNESS TO THE COMPANY

A 40-year-old company, Able Irrigation converted to flat-rate pricing five years ago and spent four years prior preparing for the switch.

“It’s not easy,” MacKinnon says. “I’ll tell you that from the start.”

Some companies, like Able Irrigation, opt for flat rate service pricing to get paid for 8 billable hours per day.

continued on page 36

The Ticker:

IRRIGATION

John Deere Landscapes (JDL) acquired Eljay Irrigation, located in Calgary, Alberta. While JDL didn’t disclose terms of the deal, President Dave Werning said the company expects to make more acquisitions in 2014.

Netafim debuted its line of Netafim Landscape Controllers. Developed by Tucor, the web-based smart controllers incorporate weather and soil moisture data to determine watering needs.

With the U.S. General Services Administration approving the U.S. Green Building Council’s Leadership Energy & Environmental Design v4 (LEED) and the Green Building Initiative’s Green Globes rating programs as standards for green buildings, the Irrigation Association (IA) outlined the differences and overlaps of the programs, primarily regarding point allocations. Visit buff.ly/1jepvrH for specifics.

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continued from page 34

She enlisted the help of contractor consulting firm Grandy & Associates to create her model, which includes flat rates for basic repairs, primarily those above ground, and “custom flat rates” for more complex jobs. Technicians provide clients a “good case, bad case” price for custom flat rates, meaning they estimate the bottom and top price for the job upfront and, when the job is complete, present the actual price that can’t exceed the “bad case” cost, which is calculated from the minutes and materials it took to complete the job.

“You’re going to lose some customers because your pricing is going up,” MacKinnon says. “It’s not an avenue to gouge the client. Really, what you’re doing is running your business so you can make a reasonable profit.”

Michael Oliveto uses a similar reasoning to justify why he charges on time and materials for service.

The vice president of operations at Rainfree Irrigation in Mt. Pleasant, S.C., says the company has used the structure for more than 25 years to “keep the customers honest” about the time employees are at the job site and to ensure employees are paid fairly for their time.

From their trucks, employees log in to a computerized network to report when they arrive and depart a job site. This way Oliveto always has an eye on them, and clients can’t dispute the time they’re charged for.

“When the guys get to a job I know they’re working constantly,” Oliveto says. “We get paid for almost all our time. I’m not losing money on hourly

The Goods: IRRIGATION

GROUNDSKEEPER TECH’S SPRINKLERMAPS
Designed for landscape and irrigation managers, this mapping software provides an alternative to paper landscape maps. Users can plot irrigation and utility systems with a live satellite map.

TOOL TIME
SprinklerMaps features a square footage estimator, sprinkler radius viewer and global precipitation measurement (GPM) tallies.

GET IT DONE
The program allows landscape managers to flag markers for repair, map out assigned tasks and track progress.

THINK BIG
Among those already using this product are major universities, golf courses and several pro sports teams.
employees or jobs that take longer or are harder than they initially appear.”

The company includes travel time in its hourly rate, charging $75 for the first hour on residential jobs and by 15-minute increments after that.

Still, Rainfree Irrigation gives customers an anticipated amount for a job before it begins work. Oliveto keeps clients in the know if a job will cost 10 percent or more than the estimate, informing them before they receive their invoice.

**JUSTIFYING THE APPROACH**

The downside to time and materials, Oliveto says, is the intricacies of the invoice because you “must justify your time” to the customer.

“What we constantly struggle with is getting the technicians to be as accurate and descriptive as possible,” he says. “That’s something we’re always trying to drive home is you have to be accurate in what you’re saying. You can’t leave things out.”

Josh DePauw is another advocate for time-and-materials pricing, but the regional manager for Andy’s Sprinkler, Drainage & Lighting can pinpoint some challenges to it, too.

“A lot of customers like to hear that upfront cost being less,” he says, and adds how Andy’s gets over the hurdle. “Our office staff is the frontline of that phone call. We have girls who explain what we do and why we do it real easily. That’s a big deal.”

The Dallas-based company charges $109 for its first hour, including the travel time to the job site and, like Rainfree Irrigation, charges in 15-minute increments thereafter.

DePauw says he never sees the company going to a flat rate because the time-and-materials approach is what’s most fair for the company and customer.

On the other hand, profitability partly drives Robin Luce’s decision on service pricing. By the yearend he plans to switch to flat-rate pricing versus charging on time and materials as he has for the past 11 years.

> **What it boils down to is what’s profitable for the company and what’s fair to the customer. Every time we get into an extended project, the hours can get high. (Clients) see that meter running and they’re freaking out.”**

—Robin Luce, JubileeScape

“What it boils down to is what’s fair to the customer,” says the president of JubileeScape in Mobile, Ala. “Every time we get into an extended project, the hours can get high,” he says. “They see that meter running, especially a job that goes on two to three days, and they’re freaking out. The customer starts seeing these high prices.”

Luce recognizes the advantage of time and materials is it’s accurate. On the downside, it can leave the customer surprised if you charge them more than expected. With a flat rate, he anticipates customers will feel at ease knowing the job cost up front; plus, employees can’t get skimmed on their time.

No matter the approach, Oliveto says customers should be the top priority.

> “We make sure we’re fair to the person we work for,” he says. “Nobody likes surprises. Unless you’re like my wife—the only surprises she likes come in little boxes.”

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Thanks to a total revamp of his company’s marketing strategy, Rick Longnecker now knows his ideal clients are family-oriented homeowners in their late 30s to early 70s who have lived in their homes for at least 10 years. These clients aren’t looking for the best price but the best service and value they can get from trained professionals. Since uncovering this intel, life has been easier for the owner of Buds & Blades Landscape Co. in East Olympia, Wash.

“We were just beating our heads against the wall every spring,” Longnecker says. “We would have a flush of work come in to bid and we were either running around trying to do everything for everyone or we were taking work just to have work.

“It started to become clear that by doing certain types of jobs and working with certain types of customers we deliver a better product more consistently, and that just makes good business sense.”

Longnecker began analyzing his company’s practices at the end of the busy season last year. He evaluated each step of his client interactions—from the initial phone call to collecting the check—and noticed similarities between accounts he thought were successful and accounts that weren’t. Longnecker also determined the design/build services his company offered did not make the best use of his crews’ time and skills, so he decided to strictly offer landscape maintenance to his 90 percent residential, 10 percent commercial clientele. Buds & Blades does about $350,000 in annual revenue.

Once Longnecker had pinpointed the type of clients he wanted more of, he reworked his company’s messaging to speak directly to them. He spent a little more money on a fine-tuned direct

"It has allowed us to go into this year a lot better prepared."

—Rick Longnecker
Malvern, Pa.-based Merit Service Solutions acquired SunTerra Landscape Services, based in Austin, Texas. While terms of the deal weren’t disclosed, SunTerra COO Judy McNew said the company hopes to expand nationally thanks to the acquisition. SunTerra, which is on track to hit $14 million in 2014 revenue, hopes to jump to $40 million annually within five years.

The North American Equipment Dealers Association (NAEDA) ranked ECHO and Shindaiwa at gold level status in its annual Manufacturer Relations Survey. The designation is determined by dealer evaluation data exhibiting exceptional performances in product quality, technical support, parts availability, marketing and advertising support, among other categories.

Exmark published a new propane mower white paper, titled Transitioning Mower Fleets to Propane. Free for download at Exmark.com/propanepower, the white paper provides background on propane-fueled equipment, including the progression of engine technology, and details existing options for landscape maintenance professionals to switch to propane.

Laytonsville, Md.-based Ruppert Landscape acquired A R Star Services, which services Baltimore. The transaction includes the purchase of select commercial contracts and equipment for sweeping—a service Ruppert has been looking to expand, said President Phil Key.

“Before, we would have sent something out that said: ‘Here we are. Here’s what we do. Call us for a quote.’ And we would have picked a geographic area, sent out several thousand pieces and hoped for the best,” Longnecker says. “Now we have dialed it down and are sending our customers direct mailings that connect with them.”

CUSTOMERS’ VOICE
Longnecker then purchased memberships to Angie’s List and Yelp to collect sales leads and see user-generated comments and reviews. He’s testing both sites this season to determine which one works best for his company and will discontinue membership of the other at the end of the year.

“An unsolicited testimonial or review goes a long way, and fortunately..."
for us the reviews have all been great so far,” Longnecker says. “I know sooner or later that bad review will come up. We will have to cross that bridge when we come to it.”

Buds & Blades also hired a marketing firm for help with sending email newsletters to a “tight and clean” list of about 500 current and potential customers six times a year.

Each email has two goals: to provide landscaping tips and to share company news. Longnecker says he often gets positive feedback on the emails, which have an average open rate of almost 60 percent, and even have helped recruit new clients.

“We have found this even works several months out,” Longnecker says. “It’s kind of like a drift effect—we keep sending information and, hopefully, we can eventually meet their needs.”

**BREAKING IT DOWN**
Longnecker says the cost of his new marketing strategy was “not as much as you’d think.” The company spends roughly $1,500 a year on a direct mail list. On top of that cost, each mailing it sends to the list costs $1,500 to $2,000. The company sends three or four mailings per year. Longnecker spends $5,000 on memberships for Angie’s List and Yelp—a cost that will be cut in half when he drops one service—and $255 per email newsletter. The company still plans to invest about $3,000 to redesign its website and $500 to $750 to create a professional marketing video that will include client testimonials.

While Longnecker says it’s too early to quantify the results of his efforts, he says so far gross margins per job have gone up 5 percent to 10 percent due to increased pricing and reduced labor costs. Additionally, total profit margins have increased at least 5 percent. Longnecker also is seeing the benefits of simplifying his service offerings. By sending the same guys with the same trucks and equipment to do similar jobs each day, the crew is quicker and more efficient, providing a better customer experience.

“We have seen a return on the front end by working with people who are going to buy and use our services and return on the back end because it’s a lot easier to manage and execute each job,” Longnecker says. “It’s been really great that we got started while things were fresh in our minds from last year. It has allowed us to go into this year a lot better prepared.”

Schappacher is a freelance writer based in Charlotte, N.C.

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**The Goods:**

**MAINTENANCE**

**JOHN DEERE MULCH ON DEMAND MOWER DECK**
The Mulch On Demand (MOD) mower deck is now available in John Deere’s 2014 QuikTrak commercial mower lineup, which includes the 652R MOD and 652R EFI MOD models. Previously, the MOD was only available in the John Deere ZTrak line.

**SIT TIGHT**
MOD allows an operator to switch between mulching and side discharging without leaving the mower.

**SPEC IT OUT**
The 652R MOD and 652R EFI MOD are equipped with seven-gauge, 52-in. decks.

**QUICK SWITCH**
Convert from wide-open-side-discharge mode to a full-chambered mulching mode or any position in-between by holding down the electric switch located on the dash.

**LANDSCAPEMANAGEMENT.NET | MAY 2014**
A second set of hands
Independent landscape design firms fill the role of staff designers for a fraction of the cost.

By EMILY SCHAPPACHER

Last June Patrick DuChene quit his full-time landscape design/management position to offer his services as an independent designer. DuChene Design Solutions, based in Branchburg, N.J., currently meets the design needs of 20 regular clients and counting, all whose businesses have grown and improved since bringing on DuChene as an extra set of hands, he says. It’s a win for everyone, DuChene adds. He’s able to offer his landscape design skills to multiple firms, while the company owners receive professional designs without the overhead costs of a full-time employee.

“That’s the business model that makes this such a benefit to me and to the landscape company,” DuChene says. “I saw what the economy is doing, and I saw a real need for what I’m doing.”

Cooperative Design Resource (CDR) is another independent landscape design firm. Since last year, the five-person cooperative has offered design and sales services to landscape contractors, suppliers and architects in the Denver metro area. About 90 percent of its jobs are for residential clients.

“Our part is to take the workload off the contractors so they can do what they need to do to build the design,” says Jennifer Verprauskus, a CDR partner and the firm’s marketing manager. “The projects they’re getting are going to be really good, and they don’t have to have a hand in it and micromanage. They can trust us it’s going to get done.”

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The Goods: DESIGN/BUILD

**KICHLER 2700K DESIGN PRO LED FIXTURES**
The warm-white 2700K color temperature option will be available in two Design Pro LED 12V two-in-one water and accent lights, three Design Pro LED 12V wall wash accent fixtures (pictured here), 18 Design Pro LED 12V deck and patio fixtures and 46 Design Pro LED 12V path and spread fixtures.

**STAY WARM**
This warm, white option is ideal for enhancing yellow, orange and red hues in foliage or the natural earth tones found in siding or other building materials, Kichler says.

**WHITER WHITE**
A 3000K color temperature option is already available for all of these fixtures, giving customers an additional pure white option.

**STICK TO IT**
The new fixtures adhere to tight LED binning tolerances for color consistency.

**HOW IT WORKS**
DuChene Design Solutions provides landscape designs and presentations for primarily residential projects to design/build firms throughout the U.S. Via conversations with clients and by using file-sharing services like Dropbox, DuChene can analyze his clients’ properties through photographs and land surveys no matter where they’re located and get a good feel for the job. His services cost anywhere from $45 to $100 an hour, depending on what the design entails.

For example, DuChene will charge more for jobs requiring 3D modeling or animation. Regardless of the hourly fee, DuChene’s services are a “humongous savings” for landscape contractors, particularly those who are in a period of growth but are not in the position to hire another employee, he says.

“The average salary of a landscape designer is $35,000 to $45,000, and if
you add in the expenses that go along with that—a vehicle, cell-phone, benefits, uniforms, a computer—that number goes up into the $60,000s,” DuChene says. “If my clients aren’t selling landscape jobs, they don’t need me. I approach each job as if I am an employee of theirs, but I’m not. I’m there to help them.”

CDR charges a design fee up front, a minimum of $750 depending on the complexity of the design, and then a flat percentage of the project’s total cost if the design is sold. The firm touts a combined 135 years of landscape design and sales experience.

Both DuChene and Verprauskus agree the biggest benefit of outsourcing landscape design work is the cost savings for the company owner. Verprauskus also has found many of CDR’s clients value the sales services the firm offers, as it’s another piece of the puzzle they don’t have to worry about.

“...
CDR offers clients the opportunity to tweak or modify a design, some clients find it difficult to not be involved each step of the way. DuChene agrees this can be an issue, so his design process includes what he calls a “progress proof,” which is a black-and-white design concept he offers clients during the early stages of a project to make sure he’s on the right track.

Other hesitations some clients face is that working with a third-party company will make communication more difficult or that they’ll be overcharged if they don’t have visual proof of how much time was spent on a design, DuChene says. But building relationships and establishing trust can ease these uncertainties and establish a long-term partnership that works for everyone.

“It is a subcontractor relationship, but we see ourselves as partners because we help them and they help us,” Verprauskus says. “The clients’ best interests are our best interests.”

Schappacher is a freelance writer based in Charlotte, N.C.
When it comes to effective and efficient application techniques for landscape bed weed control, Joe Ketterer has a few shortcuts up his PPE-approved, long-sleeved shirt.

Ketterer, a certified pesticide applicator with a bachelor’s degree in ornamental horticulture from Pennsylvania State University, is a 30-year veteran of the Brickman Group. He serves today as a regional production specialist for the Rockville, Md.-based national landscape company, providing in-house training and research/development capabilities in the areas of labor, materials and equipment.

Ketterer presented, “Best Practices of Weed Management in Landscape Beds,” during an April webinar hosted by Landscape Management and sponsored by Nufarm.

He covered many of the basics, such as the importance of reading pesticide product labels, but he dove deeper to encourage attendees to think differently about product selection and application techniques.

“There are some (chemical) products small companies see and say, ‘That’s too expensive—I can’t afford it,’” he says about product choice. “But if you take the time to apply the products properly and it drastically reduces the amount of hand weeding you have to do, you can afford it.”

Regarding techniques, Ketterer offers five tricks to make landscape bed weed control applications easier.

1. **Think custom.** ACME Spred-Rite granular spreading tools are a staple in Ketterer’s operation for precision granular material application in beds (typically preemergent herbicides). The standard tool comes with a green plastic paddle and a clear plastic tube. Ketterer has aluminum paddles custom made to “bulletproof” them for commercial use and extend their life spans.

2. **Consider premixed products.** Many lawn care operators (LCOs) overlook consumer-oriented, store-bought pesticides, but not Ketterer. He likes to keep a few jugs of this type of specialty product at the ready for specific situations, such as treating an unexpected poison ivy patch. Keeping in-house prepared products on hand is an alternative; however, it’s important to remember bottle labeling requirements and to keep the product labels and MSDS on the truck.
3 **Fabricate solutions.** When working in beds, it’s vital to protect nontarget plants adjacent to spray areas. Ketterer does so by modifying the top of a 32-ounce sport drink bottle and affixing it to the end of a spray wand to create a drift guard.

He starts by cutting the bottle along the top ridge and drilling a hole through the bottle cap (slightly smaller than the spray tip threads). Next, he removes the spray tip from the wand, screws the bottle cap onto the wand and replaces the spray nozzle. Finally, he screws the trimmed bottle into the bottle cap. At that point, if the plastic interferes with the spray pattern, he’ll remove more of the plastic. “You can buy a drift protector for $7 or $8 apiece or make one with a recycled sport drink bottle in under two minutes,” he says.

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**WEB EXTRA**

To view a recorded version of the bed weed control webinar, presented by Brickman’s Joe Ketterer and Virginia Tech’s Jeff Derr, Ph.D., visit LandscapeManagement.net/webinars.

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**The Ticker:** **LAWN CARE**

The Environmental Protection Agency (EPA) and Army Corps of Engineers proposed a rule under the Clean Water Act that would regulate fertilizer and pesticide use on properties near any water, including man-made water bodies, ditches and flood plains. Aaron Hobbs, president of Responsible Industry for a Sound Environment (RISE), opined on the new rule, noting professionals would need to obtain permits to treat such properties and that could cause additional difficulties. The rule is open for public comment until July 21 and viewable at buff.ly/1fx8OZv.

Bayer CropScience opened the doors to its North American Bee Care Center in Research Triangle Park, N.C. The $2.4 million facility will act as an educational resource and research hub for stewardship and best management practices pertaining to honeybees. While research has been focused on agriculture so far, projects are in the works related to urban settings, primarily the impact of pesticides and like products on bee populations.

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**MORE WHERE IT MATTERS MOST.**

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Wick on. Don’t forget about specialty equipment for targeting specific weeds in sensitive situations, Ketterer says. A wick applicator, for example, looks like a hockey stick with a paint roller on the end. “You can wipe glyphosate onto the weeds to selectively take them out,” he says. “It’s a pretty cool little tool that comes in handy.”

Top it off. Filling Spred-Rites with granular herbicides directly from product bags can be tricky, causing spillage and waste. Ketterer recommends using a 5-gallon paint bucket with a lid and pour spout to keep the product dry and make the task easier.

SAFETY FIRST
It goes without saying that lawn care professionals always should follow personal protective equipment requirements listed on pesticide labels, says Joe Ketterer, regional production specialist with the Brickman Group. Still, everyone needs a reminder, he says. Here’s his must-have safety gear checklist.

Don’t forget
✓ Safety vest
✓ Safety glasses
✓ Gloves
✓ Boots
✓ Eye wash bottle (solution and cups)
✓ Spill cleanup kit

Wear when applicable
✓ Long-sleeved shirt
✓ Ear protection
✓ Chemical gloves
✓ Dust mask

The Goods: LAWN CARE

FMC TRIPLE CROWN T&O INSECTICIDE
Triple Crown is a three-way combination of bifenthrin, zeta-cypermethrin and imidacloprid, offering multiple modes of action on pests, including ants, fire ants, grubs (masked chafer, European chafer and Japanese beetle), chinch bugs, annual bluegrass weevils, ticks, mites, billbugs, mole crickets and more.

APPLY AWAY
The product is labeled for broadcast lawn treatments, mound treatments and landscape applications.

TOUGH ACTING
Available in an EW formula- tion, Triple Crown works through contact, translaminar and systemic activity.

WIDE RANGE
It’s registered for use on lawn and landscaped areas around residential, institutional, public, commercial and industrial buildings, parks, recreational areas and athletic fields.