

Institutional politics

In-house grounds maintenance budgets depend on a different set of factors — institutional politics and priorities, separate funding requirements and perhaps even public consent to taxes. That doesn't mean our lessons in professionalism don't apply.

The basic foundations of having a smoothly running organization, managing budgets efficiently, building a culture where good employees want to stay and showing your best side to the administration and public are absolutely necessary. You may not have to be as "showy" as a contractor in business, but our standards for appearance and professional presentation will benefit you and your staff as well.

est side

"A lot of (small landscape) firms don't even know if they're profitable or what their profit margin is," said Bob Andrews, president of The Greenskeeper, Carmel, IN, and one of the participants on *Landscape Management's* Best Practices Panel.

"That's why a lot of them come and go!" added Bill Hoopes, director of training and development at Scotts Lawn Service, Marysville, OH.

Pigs don't fly, and your customers won't

pay higher rates just because you want them. You can only charge higher fees, acquire more desirable customers, retain good employees and operate more profitably when you professionalize your organization and search for continuous improvements. Even giant organizations need to keep improving, or they won't remain competitive.

That's why *LM* is developing a series of benchmarks for professional landscape organizations, based on input from our distin-

guished team of Green Industry experts. We asked our Reader Advisors and other professionals for their thoughts on what makes a first-class organization run and how to benchmark it. Our goal (and probably yours) is to build strong organizations with long-term, profitable futures.

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"I believe that most small landscape companies have no idea what their profit margin is."

— Bob Andrews,
President of
The Greenskeeper,
Carmel, IN



"Sadly, too many operators go into business and are undercapitalized,"

— Lou Kobus Jr.,
Owner of
Village Turf, Mount
Vernon, VA.



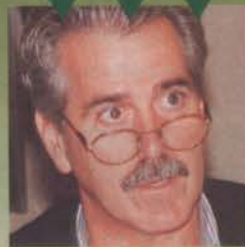
"... too many operators won't do what they need to do to succeed in business."

— Bill Hoopes,
Dir. of training and
development at
Scotts Lawn Service,
Marysville, OH



"I believe successful business people have good common sense."

— Joe Loyet,
President of
Loyet Landscape
Maintenance Inc.,
St. Louis, MO



"The answer to why many new landscape companies struggle is simple, the barriers to entry are practically nonexistent."

— Michael Currin,
President of Greenscape
Inc., Holly Springs, NC,

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The goal is to build a strong organization with a long-term, profitable future.

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We hope you use these benchmarks to plan your own improvements, develop better operations and earn more profits for your efforts. Some of them will generate debate, but we expect this first one to have universal application: *Show your best side.*

The outsider looking in

It's probably too easy to get into this business, which is why so many new and even established companies struggle. In fact, said Michael Currin, president of Greenscape Inc., Holly Springs, NC, "The barriers to entry are practically nonexistent."

While many new operators struggle because they don't understand business; experienced ones pay the price in low-balled fees and competition for employees.

Because a lawn care or landscape contractor's life is so busy, it's hard to find the time to plan, think long-term and look at things objectively. If you could become an outsider, step away from your organization and look back at it with objective eyes, what would you see?

Would your customers see an owner and employees who look and act professional, presentable, knowledgeable and trustworthy? Are your vehicles and equipment clean, polished and in good repair? Are your business cards and literature professional looking? Do your customers have intelligent or haphazard interchanges with your organization? Do you call them back quickly?

How do potential employees see your organization? Is it someplace they want to work? Do your employees look capable and content? Are the facilities and equipment safe and dependable?

Too often, the "dream" slides to the wayside as the demands of running a business overwhelm a contractor, and standards start to slip. Dress codes, repair schedules and hiring standards have a way of getting past too many operators, leaving the public with a negative image of the work you do and the value you provide.

Do you have the discipline?

Standards for pricing slip, too, in the heat of competition. Unless you completely understand your financial picture, it's easy to think you're making money when you're not.

"People who don't operate with a business plan or a budget get into trouble," said Hoopes. "They figure, 'I'm making more than I'm spending, so I'm doing well.'"

"Through their large numbers, these operators 'are' the industry," added Andrews, "and they leave the public with a really strong impression."

"Sadly, too many operators go into business and are undercapitalized, without a plan, without a clue," said Lou Kobus Jr., president of Village Turf Inc., Mount Vernon, VA.

Members of our panel agreed on basic building blocks necessary for a professional operation, plus two elements necessary for

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Professional resources

You don't have to pay a fortune for good business advice. Local chambers of commerce and government-funded programs can get you started in developing the proper financial records and knowledge. State, regional and national business and landscape organizations have specific programs already in place to help you professionalize. Finally, the Internet is crowded with thousands of helpful information and consulting sites.



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success: discipline and common sense.

"It's discipline," said Hoopes. "Too many operators won't do what they need to do to succeed in business."

"It's common sense," added Joe Loyet, president of Loyet Landscape Maintenance Inc., St. Louis, MO. "Successful business people have good common sense."

Business building blocks

It's easy to talk about having first-class organization but not so easy to make it happen year after year.

Our experts said these basics are crucial:

- ▶ Operating budget, with monthly income statements and profit and loss statements, balance sheets at least quarterly and cash flow projections by month.

- ▶ Cost accounting to know what costs what in your operations.

- ▶ A solid estimating system.
- ▶ 5 to 10 year business plan.
- ▶ Line of credit negotiated

before you need it.

What about benefits? The panel included these basics:

- ▶ Health care (including dental insurance).

- ▶ Paid vacation.
- ▶ 401k or other simple pension plan.
- ▶ Holiday pay.
- ▶ Sick days/personal days.
- ▶ Uniform cost sharing.

As for optional extras, our panel would like to see more of these:

- ▶ Profit distributions.
- ▶ Incentive/bonus systems.
- ▶ Disability and life insurance.
- ▶ Overtime options.
- ▶ Additional vacation, sick and personal days beyond the minimums.
- ▶ Educational reimburse-

- ment and rewards programs.
- ▶ Rewards for certification.
- ▶ Uniforms provided and cleaned.
- ▶ Logo wear at cost.
- ▶ Cell phones and/or company vehicles for key managers.
- ▶ Travel and attendance to industry events.

Editor's note: LM will continue to provide new benchmarks. We welcome your feedback, suggestions and ideas on professionalism. Contact us at 800/225-4569, fax 440/891-2675 or email: sgibson@advanstar.com.

LM's Benchmarks: Standards for the landscape and lawn care industry

Show your best side

Looking unconventional sends a message of independence that can be taken in a positive and negative way. Your employees may look cool to their friends but what message do your customers get?

Look around the next time you're in a fast-food restaurant. Is the place clean and neat? Are the employees clean and friendly? Does it look like a place where you'd like your food prepared? If not, why are you there?

You probably patronize businesses that look well-run and knowledgeable. Make sure yours does, too.

No excuses

Our panel of experts listed several requirements for how first-class organizations look:

- ▶ Uniforms or logo apparel for all in-field employees (provided or bought at cost).
- ▶ Clean, neat appearance for all employees.
- ▶ Managers/owners look sharp (khakis, shirts with collars, logowear, "manager's" jackets, ties if desired, street shoes).
- ▶ Trucks and equipment washed weekly (minimum).
- ▶ Vehicles and equipment kept in good repair, with a regular schedule for repairs and routine maintenance.

- ▶ Professionally designed or produced company logos/decals on trucks and vehicles.
- ▶ Company letterhead and/or logo on all printed materials.
- ▶ Business cards for all company employees dealing with customers, suppliers, peers, etc.
- ▶ Script and customer handling routine for anyone answering the telephone.

Does this sound unreasonable? We don't think so and neither does our panel. These points require an investment of money, time and energy but they must be a priority. Consider the costs of not doing any of these or of letting these elements slide:

- ▶ Unkempt, unclean employees and managers will most certainly put off customers and will not encourage respect. They'll look elsewhere for a "real" operation.
- ▶ Dirty, rusty or undependable trucks and equipment say this is how this operator will take care of your property.
- ▶ Vehicles without signs or homemade-looking signs make people wonder if you're serious about business.
- ▶ Homemade forms or sloppy handwritten invoices send a similar message. Cheap generic forms are better.
- ▶ Lack of business cards says you're not interested in networking or growing more business.
- ▶ Lack of a customer-handling script says you don't focus on customers or anticipate their needs.

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WATER AUDITS: Programmed savings

**Want to save your commercial and residential customers money?
A water audit might be the first step**

BY ROBERT E. REAVES

With an average annual rainfall of 50 inches, you would never guess the City of Houston would need a water conservation program. Guess again. Groundwater tables have dropped as much as 10 feet in some areas of this sprawling city. Commercial and housing construction continues to grow, increasing the amount of water used for irrigation. Beyond Houston, the entire state of Texas faces an alarming 16.43% water deficit in the next 50 years.

Houston has implemented aggressive conservation efforts, including free irrigation audits for customers with large irrigated landscapes. One licensed Texas irrigator and Certified Landscape Irrigation Auditor (CLIA) is David W. Smith, who is reshaping the way property managers look at water management.

He helped develop the Texas Landscape Irrigation Auditing & Management Short Course while he was with the Texas Agricultural Extension Service (TAEX). "After teaching the course to so many people, I realized what a huge issue water management is in Texas.

He left TAEX and started Texas Water Audits, based in Bryan. In January 2000, Smith signed a three-year contract with the City of Houston to conduct water audits for large water customers. One of the first customers Smith contacted was Camden Property Trust, a Texas real estate management and investment firm with 19 properties in the Houston area.



David Smith reads the volume from a catch device to determine sprinkler precipitation rate.

Camden's irrigation challenges

It wasn't difficult to convince Michael Binns, central region landscape manager for Camden, of the value of water audits. While previously managing Camden's Las Vegas landscapes, Binns saw impressive savings from water audits. He also is a CLIA.

"Before we took advantage of the irrigation audits, on-site maintenance staff scheduled irrigation," he says. "It was difficult to program the controller clocks properly to the time of year or site condition."

Things have changed. "Once Smith provided us with the recommended scheduling, accountability for the irrigation scheduling and maintenance was transferred to the landscape maintenance contractor. He is expected to follow the schedules exactly, monitor the landscape

and make adjustments to the scheduling as necessary," he adds.

Current controller equipment has challenged Binns. "Many of our Houston properties still have the old mechanical clocks. It's difficult to get run-time precision with them. If you set a run time of eight minutes, you're likely to get 12 minutes of irrigation," he says.

"The existing mechanical clocks are being replaced with digital clocks. They provide the precision and flexibility we need." Binns hopes to integrate modern controller technology into all Camden properties in Houston.

"One of our Houston properties has a central control irrigation system," Binns adds. "It measures ambient air temperature, wind speed, relative humidity and precipitation. All of these measurements are combined to irrigate according to plant requirements and system efficiency."

Central control is a computer system operating multiple controllers, sensors and other devices from a central location. "The new system was installed in June 1999 in the middle of a drought," he explains. "We had twice the rainfall in 1997 and 1998. Even with half that during 1999, we showed a worthwhile savings in water."

Apartment problems

Smith says some apartment complexes average 50 to 60 irrigation zones and have these problems:

- ▶ Apartment maintenance



A precipitation rate test is performed on an apartment complex as part of a water audit. The results will be used to establish proper irrigation schedules.

staff or landscape contractors with little knowledge of irrigation scheduling or setting irrigation controllers. Irrigation repair knowledge can be limited, too.

- ▶ No rain sensors or rain sensors improperly located.

- ▶ Irrigation hardware problems (broken sprinkler heads, broken pipes, mismatched sprinklers, etc.).

- ▶ Poor system design problems that were inherited.

"Right now, the hardest part is selling the service to commercial businesses," admits Smith. "Since landscape contractors manage the landscape, property owners assume the contractor manages the irrigation system properly. That's a bad assumption. However, I believe more landscape contractors will include water auditing for their customers in years to come."

Big water savings

Can water audits make a difference? "Water savings can be impressive," notes Smith. "From the

audits I've conducted, water savings are at least 30% and often up to 50%. Much of the time, reductions can be achieved simply by resetting the irrigation schedule. Without an audit, there's no way to know the precipitation rate of each zone or how much water you are actually applying."

Smith gives each customer a summary of the irrigation system on a station-by-station basis as part of his audit. This includes:

- ▶ a description of the current

physical condition of the system,

- ▶ a performance summary (i.e., precipitation rate from each zone) based on a catch-can test,
- ▶ recommendations for irrigation scheduling and
- ▶ estimated percent water and cost savings based on following audit recommendations.

Once a property makes his recommended changes, Smith says it is less likely that plant materials will need to be replaced.

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Property at a glance

Company: Camden Property Trust

Headquarters: Houston, TX

Business: Owns and operates 156 properties dispersed throughout the Sunbelt, from California to Florida, as well as Midwestern markets, including 19 properties in Houston

Assets: \$2.5 billion of gross real estate

New developments: Multi-family communities in downtown areas



This flooding was caused by a broken underground pipe. It was detected during the site inspection phase of the irrigation audit.



A precipitation rate test is performed on apartment property. The results are also useful to assess distribution efficiency.

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Damage to sidewalks and foundations from erosion and standing water will decrease, too.

Another benefit is better health and appearance of the landscape. "There are fewer disease and insect problems, as well as more efficient use of fertilizer," Binns adds.

Is there a return on repair costs? Yes. "Smith told us if we spend minimal dollars for parts and labor, we should be able to pay back this amount in lower water bills within two months."

The audit process has taught Binns some valuable lessons. "Most irrigation design problems could be avoided through proper planning," he advises. "Before the first plans are drawn, the irrigation designer needs to work closely with the architects and landscape designer."

He says once you get to the installation level, it's too late. Most apartment complex projects tend

to go with low-bid contractors to keep construction costs low. But Binns believes you can head off problems during the early planning stages by:

- ▶ Placing water mains where they are less visible to vandals.
- ▶ Avoiding irrigating long, narrow strips and other areas that can't be irrigated efficiently.
- ▶ Factoring soil type and depth into the design process.
- ▶ Designing irrigation zones according to the plants' water requirements, hardscape and sun.

With irrigation schedules set, this doesn't mean Camden is home free. An irrigation audit only provides a snapshot of the system at a particular time. Tomorrow, there could be electrical problems or broken parts.

Niche angle for you

Are you interested in providing irrigation audits? With many places around the country in a water supply crunch, the demand for your services is strong. Who are key prospects?

- ▶ Motivated customers looking to save money.
- ▶ Sites with significant water savings potential.
- ▶ Customers with tiered water rates based on water budgets (as in California). Penalties apply to customers who exceed their water budgets based on property size.

— *The author is a frequent contributor to Landscape Management. David W. Smith can be reached at (979) 255-0681. E-mail: tx-audit@myriad.net*

What can irrigation auditing do?

Irrigation auditing is a three-step procedure to improve irrigation system efficiency and reduce landscape water use. The audit ensures that your landscape receives just the right amount of water, when it needs it and in the most efficient manner possible.

Step 1: Site inspection

Irrigation system maintenance is an important part of landscape water efficiency. The first step in irrigation auditing is a site inspection to examine the physical condition and operating characteristics of the system. Problems such as broken or leaking sprinkler heads, breaks in lateral piping and misaligned spray patterns are identified.

Step 2: Performance test

Landscape irrigation systems commonly consist of several sprinkler zones to operate separately. To establish an efficient irrigation program, know how fast each zone applies water (precipitation rate).

A "catch can" test determines actual precipitation rates in each zone. The irrigation controller is programmed to apply specific quantities of water, depending upon the water needs of individual landscape plants.

This test also examines how efficiently water is applied to the landscape. Poor distribution means problems with the system design, excessive or insufficient water pressure or misaligned sprinkler heads.

Step 3: Irrigation scheduling

The final step in irrigation auditing is developing a customized irrigation schedule that considers individual zone precipitation rates, water requirements for different types of plants, soil type, soil depth and climatic conditions. The plan develops seasonal water demands for landscape plants based on historic climate and rainfall records. Zone run times are then adjusted on a month-to-month basis to apply only the amount of water needed.

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