Can you explain the concept of using a retainer agreement instead of a design fee to get a commitment from the client toward both the design and the installation?


I just got back from PLANET’s Green Industry Conference in Louisville, Ky., where I was a speaker, as well as a facilitator at the Breakfast with Champions. As always, one of the hottest topics was how to attract high-end clients. Inevitably, this discussion leads to one of our industry’s biggest pain points—design fees and how to charge for them.

Naturally, everybody says they charge design fees but their competition designs for free, putting them at a disadvantage. Companies say that because their competitors are giving away free drawings, they follow suit, not wanting to lose the work. My typical response is, “Oh, now I understand. You charge design fees, but nobody pays them!” It makes me laugh, but my audience provides me with a room full of angry stares.

I firmly believe designs and design fees are a necessary part of the design/build process. Not just for the sale, but for the proper installation and profitability of the project. However, like everything, there is more than one way to skin a cat.

Before I get into the retainer fee concept, I want to make sure we’re on the same page. Although we’d all like to make a profit on design fees, most of us use it to sell the job. If we can break even on our cost for the drawing, that’s a bonus. The reality is most of you use designs as a loss leader. If you sell the job, it was worth the time and investment and everybody is happy. If you don’t sell it, the designer will blame the estimator and the estimator will blame the designer. In turn, they both blame the owner, claiming his prices are too high. The owner blames everyone, because, well, he’s the owner.

Retainers are essentially deposits given to a professional by his or her client to begin a process. In the legal profession a retainer is often given to an attorney to begin the paperwork necessary to start a lawsuit. In reality, two parties are agreeing to work together toward a goal. Neither knows how long the process will take or how costly it may become. They just know they want to work together and get the ball rolling. Sounds pretty nice, doesn’t it?

What I want you to do is similar in concept but not so ill defined.

First, treat design/build as design/build, not as design and build. Design/build is one process. Design and build are two processes. Most of us do the latter. We try to charge a design fee (step 1) and then try to sell the installation (step 2). Wouldn’t you rather get a deposit toward the design/build and not one and then the other?

Enter the retainer agreement. By bundling the design and the installation together as one process, you’re essentially presenting the client with a turnkey process: a design/build project. The design influences the build and the build influences the design, and they are both influenced by the budget and material selections. With such a “fuzzy” or “dynamic” process, why wouldn’t a customer just want to work with one person or one company?

Actually, many of them do want to work this way and they understand why it’s beneficial. They just need to give you a retainer to get the design/build process started. That way you get your design fee and job deposit at one time and you do it in an hour.

Now, when you go back to the office with a retainer, you and the estimator high five and fist bump each other like you just won the World Series. The owner is happy because he has a check, even though he has no idea what’s going on because, well, he’s the owner.
THE MISSION

Create a “living room of intimate space.”

The Winter Garden is a 22,000-sq.-ft. contemplative and restful gallery-type space in a modern and minimalist style combining art, sculpture, water and lots of plants—including a 1,950-sq.-ft. living wall. Rennie Gotell, general manager of Greenery Office Interiors, characterizes the Winter Garden, located in a commercial office building in Calgary, as a “relationship project.”

“We got the job because we knew the right person to help us,” he says. Additionally, the company survived the project’s many delays and difficult installation because of good vendor and contractor relationships.

The project, which took about two years to complete, did not get off to a promising start: “The day 20,000 plants left Florida, we received a call delaying the project for three months,” Gotell recalls. Because the building itself was under construction during the project, three months slid into five months.

Once the company got the green light to bring in the plants, a new problem arose: “It was a logistical nightmare transporting all of this material to the second floor of this brand-new building under construction, with tenants moving in and every trade under the sun present,” Gotell says. There was the added challenge of keeping the contractor, architect and building owner on the same page throughout the project.

Gotell confirms that all the obstacles were definitely worth the result. He notes that it’s a popular place for people to get together to eat lunch, hold an informal meeting or just relax next to the “Zen-like” green wall.

“It makes an incredible statement,” he concludes. “The design of the wall was inspired by an aerial photograph of local agricultural land. The stainless sculptures were designed to look like sheaves of wheat, and they honor historical city leaders. In fact, the Winter Garden was chosen as the first of many locations in the city for its ‘Field of Fame.’”
THE WORK

1 | Bamboo? Shoot. Custom boxes had to be fabricated to adjust to the oversized planters, but because bamboo does not like to have “wet feet,” the team chose not to subirrigate. To add to the challenges, these planters had to be resealed by the contractor.

2 | By the numbers. More than 200 lirope were installed as underplanting for the black bamboo (*Phyllostachys nigra*); 30,000 lbs. of black polished river rock were added for topdressing.

3 | By the numbers, part two. From street level, the 200 *Sanseveria* are standing upright, and the 200 *Pilea* are cascading down.

4 | Space anchor. The 1,950-sq.-ft. living wall houses more than 20,000 plants with more than 20 varieties in two sections that reach 22 ft. in height and 100 ft. in width. It has computerized drip irrigation and a fertilizer injector system.

5 | Sky pilots. To install the living wall, 24-ft. scaffolding was built and a sky lift was included in the proposal. Greenery Office Interiors now has four employees certified to use this piece of equipment. There have been irrigation challenges, so the sky lift is essential for maintenance purposes.

This project garnered a 41st Annual Environmental Improvement Grand Award from the Professional Landcare Network (PLANET). For more information, visit Greenery.ca. See the Web Extra section of LandscapeManagement.net for more photos of this installation. Based in Calgary, Greenery Office Interiors Ltd. proudly proclaims that it is “keen on green!” It began in 1977 as a one-woman operation, and has since blossomed into a “thriving business that prides itself on providing the best plants and maintenance service.”
Swept away

Parking lot sweeping can boost commercial maintenance work.

WHEN WIXOM, MICH.-BASED Bell’s Landscape Services started handling the maintenance work for shopping centers that also needed regular parking lot sweeping, it decided to look into offering the service itself. A hefty investment later, the company is doing regular sweeping jobs and has found it to be a successful add-on service.

Adding a parking lot sweeping service to the company’s maintenance package was a good fit, says Mike Bell, director of sales. “A lot of my maintenance clients utilize the service as part of the overall package we sell,” he says. “But we do get a lot of clean-up work where that’s all we’ll do. We even do some work for other landscape contractors who don’t have the equipment to offer sweeping. We also do a lot of work for construction sites where they’ll have us do a thorough clean-up right before turning things over to the land owner.”

The company invested in a TYMCO sweeper, which is essentially a huge vacuum that goes directly over the surface of the pavement. Buying the equipment was no small investment—it can run anywhere from $65,000 to $150,000. But if the service is marketed well and packaged appropriately into maintenance jobs, Bell says it would be possible to see sales of $120,000 to $150,000 per year out of one piece of equipment. Bell’s Landscape operates two machines.

It’s important to know the sweeping business has many low-price competitors since the downturn in the economy, Bell says. “There are guys jumping into this and really driving the price down,” he says. “The rates used to be easily $75 to $100 an hour for this service, but some of the low ballers who are owner/operators of one machine and do all the work themselves charge $40 an hour with no overhead. You can’t compete with that. So you have to be smart and know when to walk away.”

Fortunately, many of Bell’s clients favor the one-stop-shop maintenance services his company offers. And many clients like being affiliated with a large, reputable company as opposed to a one-man operation.

The sweeper machines pick up everything from leaves to trash and debris. Bell says the No. 1 item swept up is cigarette butts.

“We keep the corners and curb lines clean, in addition to the overall surface of the parking lot,” adds Bell. “Most of the debris does accumulate on the perimeters of the lot, so we pay special attention there. We blow off walkways, completely vac the lot, and do a broom cleaning on the curb lines. Most of the lots also have public receptacles, so we change those out as well.”

Figuring out when to sweep can be challenging. The work needs to be done when the lots are clear, but because some townships have noise ordinances, the crew has to be mindful of timing. “We may have to get into the center at 9 p.m. and get the job done by 11 p.m. because of noise ordinances,” Bell says. “From there we may go to a series of commercial sites and work all night long. We call it the ‘hidden world’ because most of our work takes place after hours.”

Many of the jobs are set up on a regular schedule. “A busy shopping center may want the work done on a daily or every-other-day basis,” says Bell. “But a commercial building may just want once-a-week or even once-a-month service. And then we get those special runs to clean up a construction site that might just be a one-time job.”

Bell says the sweeping service is working out well for his company. “For us this is a sideline item—not our main source of income,” he says. “But it’s been a service that makes us better-versed with our clients and has even gotten us some new jobs. It’s definitely been a nice extra for us.”

Casey Payton is a freelance writer with seven years of experience writing about the landscape industry.
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Gravely
Gravely has made improvements to its commercial X-Factor Deck. The seven-gauge deck, designed for lasting performance and durability, is standard on Gravely’s zero-turn mowers. It features improved spindles, a new chute profile, an enlarged discharge opening and standard baffles. Upgrades to the X-Factor deck affect side-discharge decks on all Gravely Pro-Turn models, as well as the ZT HD. Gravely.com

Husqvarna
New for 2013 are the Husqvarna M-ZT series entry-level commercial zero-turn mowers. The new M-ZT features rugged fabricated decks with cast iron blade spindles, premium seats, commercial-duty 12cc integrated transmissions and high-horsepower engines. The new 810cc Endurance Commercial engines feature cyclonic air filtration to reduce service intervals and increase engine life. The new M-ZT will be available in 52- and 61-in. variants. Husqvarna.com

Grasshopper
Grasshopper MaxTorque diesel mowers employ strong mowing power, precision cutting performance, a ride that takes out the bumps and jolts for sustained mowing speeds and the ability to save up to 900 gal. of fuel and nearly $3,000 over 1,000 hours of use. Other features include Tier 4i emissions compliance and a full line of implements to boost year-round productivity. GrasshopperDiesel.com

Toro
Toro Z Master Professional 5000/6000 Series and GrandStand electronic fuel-injected (EFI) mowers use the latest in fuel management technology, reducing fuel consumption and emissions while increasing performance. They feature a Kohler engine with a closed-loop EFI system. This allows the engine to automatically adapt to load, weather, fuel and altitude changes. Easy starting in a wide range of altitudes and conditions, along with no-choke starting, helps operators get down to work quickly. A system of engine sensors monitors the engine while running, and indicator lights provide early warning of any potential issues before they actually occur. The mowers come standard with a 7-gauge steel TURBO FORCE deck in 52-, 60- and 72-in. cutting widths. The deck features a patented adjustable discharge baffle, a flexible rubber discharge chute, high-strength cutting blades, a bull-nose front bumper and tough spindle assemblies. Toro.com/professional

Snapper
Snapper Pro’s new 2+2 Year limited warranty takes effect on all ride-on mowers, including all zero-turn series, S75x and S800x models, retailed after Sept. 1, 2012, and beginning with serial number 2015362300 and up. Snapper Pro ride-on mowers are covered for 48 months or 500 hours, whichever occurs first. During the first 24 months, the mower is covered for unlimited hours. Belts, tires, brake pads, hoses and battery and blades are covered for 90 days. SnapperPro.com
**John Deere**
Kicking off the new line of John Deere ZTraks is the B Series, which features the Z915B, a 23.3-hp model with the option of a 48-, 54- or 60-in. 7-Iron II deck. The new M Series offers five different mower options (Z920M, Z925M EFI, Z925M Flex Fuel, Z930M and Z930M EFI) and horsepower ranging from 23.5 to 25.5 hp. It comes equipped with 48-, 54-, 60- or 72-in. 7-Iron PRO decks. The new R Series features five models (Z920R, Z930R, Z950R, Z960R and Z970R) with a range of 23.5 to 35 hp. It comes standard with the John Deere Comfort & Convenience package with ergonomic handgrips, power deck lift and grip-located control buttons. Similar to the M Series, the R Series is available with an isolation seat option or fully adjustable, suspension seat option. JohnDeere.com/MowPro

**Hustler Turf Equipment**
The new Super Z HD is designed with the Hyper-Drive Hydraulic System, VX4 deck technology and Kawasaki engines. New enhanced features include 26-in. tires, optional premium Grammer suspension seat and a ground speed of 16 mph. The Super Z HD is backed by a three- or five-year limited warranty, and a five-year/3,000 hour warranty on the Hyper-Drive System. HustlerTurf.com

**Exmark**
Exmark launched two new propane-powered mowers: the EFI Lazer Z S-Series zero-turn riding mower (pictured) and Turf Tracer S- and X-Series walk-behind mower. They will be available in spring 2013. The new Kohler EFI engines have improved the runtime and operating performance of its propane-fueled models. The increased fuel efficiency of the new engines allows up to 75 hours of operation on a single tank of fuel—enough for a typical full day of operation. The closed-loop EFI system optimizes engine settings in real time based on fuel, altitude and air quality measurements to maximize performance and efficiency, minimize emissions and completely eliminate carburetor-related hassles for the life of the engine. Exmark.com
Billy Goat
The new Z Force Blower quickly attaches to any major zero-turn mower via a standard heavy-duty JRCO mounting bracket. With a 360-degree rotational discharge, air can be diverted in any direction with the tap of a foot on the magnetically mounted pedal—providing rapid leaf and grass cleanup. The pivoting throttle control provides easy entry and exit of the mower. The entire unit also pivots up and down on the rear quick-attach hitch, so the unit floats with terrain changes. BillyGoat.com

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Ferris
Featuring Ferris’ patented suspension system, the new IS 700Z zero-turn mower offers up to 5 ft. of cutting power. Its new patent-pending steering system features solid rods and sealed ball bearing pivots. Engine choices include a 28-gross hp Vanguard BIG BLOCK, 28-gross hp Briggs & Stratton Commercial Turf Series, 23.5-gross hp Kawasaki FS730V or 23-gross hp Kawasaki FS691V. The mower uses Hydro-Gear ZT-3400 transaxles for improved performance and less down time. Equipped with the iCD Cutting System with striping kit, the IS 700Z is available in 52- and 61-in. cutting widths. A foot-operated deck lift provides the operator with variable cutting heights from 1.5 in. to 5 in. FerrisIndustries.com

Ventrac
The new Ventrac 4500 tractor offers multiple engine options in the Briggs and Stratton, Kawasaki and Kubota models. There’s also a propane engine option with the Kubota WG972-GL. When adding the optional propane kit, this Bi-Fuel Ready tractor offers gas and propane fuel operation for fuel savings and cleaner burning emissions, and can reduce carbon monoxide output up to 90 percent, according to the company. The tractor features an enclosed muffler for greater visibility and minimized exhaust exposure. Operators are kept informed of operational temperatures, oil pressure or low voltage levels with the enhanced instrumentation of the new 6-function warning gauge. Ventrac.com/4500
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Landscape Management is proud to be the media sponsor of the Professional Landcare Network’s (PLANET) new Community Stewardship Award (landcarenetwork.org/awards/communityaward). Starting next month and running through June, we’ll feature one of the six winners in a new department of LM.

The second half of the year, we’d love to feature the volunteer projects of even more Green Industry firms. To be considered, please email a 250-word description of your company’s ongoing volunteer efforts to mpalmieri@northcoastmedia.net.

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Rapid growth without a clear business plan has been a difficult road to navigate for one Florida company.

FAST GROWTH SOUNDS more like a blessing than a curse, but the truth is, growing too quickly can sink a business.

That’s why Michael Thackrey and his business partner, Chris Eastman, have strived to control their company’s rapid growth. They don’t want their expansion to ultimately hurt their business.

Thackrey says he’s proud of how fast FieldStone Landscape Services has grown since its inception in 2007. Thackrey and Eastman say they launched the company with lots of hard work and clear communication. But there was one important thing missing—a detailed business plan.

When their revenue went from zero to $3 million in less than six years, it was obvious their efforts were paying off—but they were unprepared.

“The truth is we’re entrepreneurs and we’re willing to jump head first into things because we know we’ll work hard to get where we need to be,” says Thackrey. “But we didn’t have processes and procedures in place, and that started to hurt us as we grew. Simple things like a vision statement or a business plan were in our heads but not on paper. Our lack of preparation had created a bottleneck.”

That bottleneck was the owners themselves. It was difficult for Eastman and Thackrey to delegate without clear procedures in place.

“We found that we had great managers and employees, but they were often in ‘wait mode’ if they couldn’t reach us when we weren’t in the office,” Thackrey says. “We realized that we were the ones causing the bottleneck.”

“We didn’t have processes in place, and that started to hurt us as we grew.”

Luckily, they could “feel the problems coming,” Thackrey says. And anticipating problems allowed them to take action before it was too late. They rented a business suite and went on a month-long sabbatical to focus solely on implementing processes and plans. When Landscape Management caught up with them, they were in the midst of their sabbatical and had high hopes for change.

They were reading up on business and consulting with mentors for guidance. “We’ve also brought our managers here one at a time,” Thackrey says. “We are rebuilding our entire structure with clear organization charts, a business plan and a concrete system. We’re writing policies and procedural manuals. This is all stuff we didn’t do in the beginning, but we’re doing it now so that we can clear up that bottleneck we’ve created.”

Thackrey says he and Eastman have not been afraid to ask for help—and that’s how they’ve gained a number of mentors who’ve helped guide them. “We’ve approached some people that we really respect in the industry and asked them to lunch,” says Thackrey. “We feel like these are the ‘Big League’ guys and we want to know how to be like them. In fact, one of our direct competitors owns a $30 million company, and we asked him out to lunch and he was open to it.”

After finishing their month-long sabbatical, Thackrey and Eastman plan to spend a month updating employees and educating them on some of the critical changes in the works.

“By Jan. 1 we are going to be a different company,” says Thackrey. “All the great things that made FieldStone grow so rapidly will still be there, but we’ll be operating better. Of course, we wish we had put these plans in place from the start—but we’re doing it now, and we’ll be better because of it.”

Casey Payton is a freelance writer with seven years of experience writing about the landscape industry.