very focused on sustainable landscape techniques. So erosion control was kind of a natural fit for us.”

The company began its foray into erosion control in 2009 with the purchase of a blower truck. Since then, TBG has picked up substantial erosion control work for private landowners, conservation groups and government properties, also delving into wetlands conservation projects.

“With the clean water movement, there’s been a lot more government investment,” Bradley says. “So we find that the erosion control and wetlands restoration business have worked well for us.”

Since TBG began advertising its erosion control services a few years ago, its work volume has increased, Bradley says. The company saw an opportunity in Ontario’s emerging environmental movement and in “the fact that the government is changing things at a very rapid pace in terms of compliance for new buildings,” he adds.

In response to the rising Green Movement, TBG has taken its erosion control business a step higher, now even pumping soil onto green roofs.

“The way the government’s changing the laws, there’s an opportunity, and not a lot of competition,” Bradley says. TBG began its huge green efforts in 2007, 10 years after the company launched.

“We asked, ‘What could we do to eliminate as much cost as possible in our material purchasing?’” Bradley explains.

What they could do, it turns out, was a lot. In 2007, TBG started its sustainable initiative by planting 40 acres of nursery stock to grow its own plant material. That was Step 1.

Then in 2008, TBG purchased a soil manufacturing plant. In 2009, the company added its own trucking department, purchasing five tractor-trailers to move all the soil it was making.

Its trucking business also enables it to move building materials and natural stone — about the only things it buys from a middle man — from as far as the West Coast.

By using its own products, TBG saves a lot of money. In 2007, Bradley says, TBG spent 28% of its budget on landscape materials. In 2011, that number fell to 17%. That breaks down to a savings of $1.7 million, Bradley says.

“What I feel that’s happened is, because over the past five years we’ve invested in the integration, it’s allowed us to introduce new services. Because we have the capacity and capability to do it,” Bradley says.

Thanks to its slow but steady self-sustaining efforts over the last five years, in 2011 TBG saw a substantial return on its erosion control investment. “In 2011, it generated close to $3 million,” Bradley says. “It was a big year for it, and that space is climbing rapidly in 2012.”

TBG traditionally has subcon-
tracted out its soil remediation work, but now the company has begun exploring soil remediation technology, hoping eventually to do that work itself.

TBG aspires to be the most profitable landscape company in the business, Bradley says. “We really only started the company in 1997, and we’re competing with companies that have been in business for 40 or 50 years,” he says. “I felt the environmental section was a way to get ourselves on the map.”

**Rental and military markets**

While TBG was focusing on erosion control and wetlands work in Ontario, Hilton Head, SC-based The Greenery Inc. was diversifying its business in other ways. Before the recession hit, The Greenery’s construction division was thriving, propelling the company’s maintenance division. But “when that construction business all but dried up, we had to find a new way to drive our maintenance business,” says The Greenery President Lee Edwards.

“We diversified a bit. We went after government and municipal contracts in our Beaufort (South Carolina) market, and that enabled us to dedicate more people over there,” Edwards says. Indeed, The Greenery has experienced growth in its Bluffton, Hardeeville and Beaufort, South Carolina markets over the last couple years.

But The Greenery wasn’t giving the same attention to its Savannah, GA market, which it long has serviced from its Hardeeville, SC branch.

That changed in 2011, when the company decided to more aggressively pursue Savannah commercial business. Now, Edwards says, “in the past year most growth has been in Savannah. The volume of work we’re doing there has doubled.”

The Greenery’s skyrocketing volume of Savannah work will lead it to open a full branch there in 2013. No longer will Savannah be served from The Greenery’s Hardeeville branch.

The commercial work The Greenery has been engaged in in Savannah centers on apartment complexes and property owners associations (POAs).

That’s a marked change from the high-end commercial work The Greenery is accustomed to. “In the past, we didn’t go after rental places because it was the lower end of the market,” Edwards says, “but nowadays, the rental market is really hot. That’s a big business right now.”

More and more, apartment dwellers are taking pride in the appearance of their abodes, “so some of those apartment complexes are stepping up their quality,” Edwards says, “and one way to do that is through landscaping.”

The Greenery’s success in Savannah resulted from the company’s efforts in 2010 and 2011 to network with residents there. “It takes a long time,” Edwards says. “You can’t just go in there and say, ‘We want to do your landscaping’ and have them hire you right then and there. It takes work.”

Just as The Greenery turned to its Savannah commercial market in 2011, so too did it find success in its military
landscaping contracts.
“...We basically decided we wanted to get involved in military work, and that’s a lot more difficult (to break into),” says Edwards. “There are a lot of hoops you have to jump through. So we decided to talk to Gary Mazzanna instead of trying to tackle that ourselves.”

Gary Mazzanna owned Mazzanna’s Lawn & Landscape, based in Beaufort, SC. He had some military contracts, and while he was looking for a way out of the business, The Greenery was looking for a way in. The cultures matched. In 2011, The Greenery acquired Mazzanna’s and gained a foothold in the military landscaping market.

The Greenery brought Gary Mazzanna into the fold at the company. Being blessed with his expertise “meant it was not as steep a learning curve as it would have been,” Edwards says. “Military work is very different from working in the private sector.”

Three military bases are located near The Greenery’s headquarters on Hilton Head Island, including Parris Island, SC, home to a U.S. Marine Corps training facility; a Marine Corps air station near Beaufort; and Hunter Army Airfield in Savannah. The Greenery has housing property maintenance contracts at two of them and hopes to land the third.

“Taking advantage of what’s in the market is our goal — and that happens to be a more diverse marketplace right now,” Edwards says. “In the long run, I think it will be good that we’ve diversified.”

Ramped up self-promotion
At Dennis’ 7 Dees in Portland, OR, diversifying begins at home. The company’s not offering any new services, just better promoting those it already has. In 2011, the company turned to its staff for help in serving customers as a team, instead of as individual departments. As a result, the company was able to better advertise to customers all the services it offers, and even facilitate those relationships to bring in new business.

“We’re talking to everybody about the big picture,” says company president David Snodgrass, who runs the company with his brothers Dean and Drew. “It’s not about just a single department.”

Between the company’s garden centers and design/build and maintenance divisions, there’s plenty of room for staff members to refer one another to their respective clients. “Right now, we’re able to steer customers to different services we provide, and we’re doing that more effectively than we ever have before,” Snodgrass says.

In 2011, company employees are more focused than ever on referring each other. “We operate more as a global company, and that is a definite shift,” Snodgrass says. Through working together across all departments, “you have a lot more opportunity, and you’re able to service the customer regardless of their needs,” he adds.

When the economy went under in 2008, like other landscapers, Dennis’ 7 Dees was forced to look at ways to capitalize on the business it already had.

“It’s been three years of thinking it was going to change anytime, and it didn’t,” says Snodgrass. “So we just thought, ‘OK, we need to figure this out for ourselves. And it’s our diversity that we have fallen back on. Going forward, even if the economy improves, we’ll go into that with strength internally and externally. We’ll have renewed strength and momentum.”

Having its workers promote the company’s services through their own work has boosted morale among employees. “I think people understand the bigger picture,” Snodgrass says, “and the more they’re able to participate in the company, that in itself is highly motivating.”

Thanks to that motivation, Dennis’ 7 Dees is ahead of its 2012 projections and is finding renewed success in its maintenance division, having recently landed some large accounts.

“I’m optimistic that this is the year we’ve been waiting for,” says Snodgrass.
Most business owners look to grow their businesses. But Tony Pope knew that Ecoscape’s future success required making his enterprise considerably smaller.

BY DAN JACOBS EDITOR-IN-CHIEF

In 2007, Ecoscape Solutions Group was a $36.6 million a year business and ranked 28th on the LM150. This year the company posted revenues of just $6.7 million and didn’t even make the list. And owner Tony Pope is just fine with that. It wasn’t the economy that forced such a change (well it wasn’t only the economy). In fact, Pope intentionally shrunk his company to ensure its survival.

Though Ecoscape offered services in a number of markets, the Huntersville, NC-based company was heavily tied to the housing market. And when that bubble burst, “we were faced with tough decisions, just like other business owners,” Pope says. “It wasn’t a decision that was made overnight.”

Like many companies unprepared for the economic malaise, Pope’s company saw a downturn in revenue by the end of 2008. At first he thought he could simply wait it out.

“A good part of 2009 we were still numb that it was going to last this long,” Pope says. “We were still just marching forward. We still hadn’t closed any of our branches down. In the fall of ’09 is when it started sinking in. That’s when we realized this is not going to turn around as fast as we thought it was.”

The first half of 2008 the company was exceeding expectations.

“It was the biggest six months we ever had,” Pope says. “In July 2008, it’s like the faucet just shut off with home building.”

With a large portion of the company’s revenue tied
to national homebuilders, Ecoscape was deeply affected. “We had other revenue pipelines, but construction homebuilding was such a large portion of it, it really started affecting our business,” Pope says. The company ended up closing offices in Atlanta, GA and Hilton Head, SC.

Green Industry business consultants often suggest maintaining a 60/40 or 70/30 maintenance-to-construction ratio, Pope says. His company simply was too heavily weighted to construction, which was fine until the housing bubble burst in mid-2008.

Making the decision
Pope realized in late 2009 that the company couldn’t continue down the same wait-and-see path. “In the summer of 2010, I felt like my partner and I were miles apart on where we thought the company needed to be going, in what direction,” Pope says. “We were still trying to be everything to everybody.”

Pope wanted to restructure the company and his partner didn’t. “To get us to that healthy state, we needed to carve off quite a bit of our construction,” he says. “We were still working for some homebuilders. The revenue wasn’t healthy. The margins were so low — one tiny mistake and we had major losses. You spend all of your attention trying to fix that when we weren’t focused on what we needed to be focused on — growing our lawn maintenance business.”

Pope knew that to survive there needed be some major changes. “I spent the better part of the end of the summer of 2010 having discussions with my spouse and some advisors,” he recalls. “I approached my partner in September of 2010 and told him I thought it was best if we weren’t partners anymore.”

Over the next six months, the pair devised a plan to carve off portions of the business that each was passionate about. “That allowed both of us to focus more narrowly on what our niche was,” Pope says.

Beginning in April 2010, Pope began to reinvent Ecoscape Solutions Group.

He sold 70 trucks and more than 30 trailers and did not renew the lease on 45 skid steers. Pope also needed to renegotiate the relationships with his banks and vendors. Banks and vendors view a $30 million company very differently than they do a $7 million one. There were layoffs, and some employees left because they “saw the writing on the wall.” The company went from about 450 employees to 150 during the peak of the season. “Morale was as low as I’d ever seen my entire time being in the business,” Pope says. “Some (employees) were leaving on their own accord. Quite a few of them we had to let go just because we didn’t have anything for them to do. Some of them we were able to transfer them to other parts of the business where we were trying to grow the business.”

Pope credits his team of key employees for making the transition successful. They trusted Pope enough to guide them through Ecoscape’s reinvention. “I’m really thankful that I have a lot of employees who were with me for many years are still with me today,” he says. “They saw it through. They stuck with me when they didn’t know where we were going.”

There was one other person who was key to the successful transition, Pope’s wife. “She saw how unhappy I was,” he says. “It was more a conversation of what’s good for your personal health, your happiness.” His wife knew the stress he was under, he adds. “She trusted me.”

The future
Pope plans to get back to the $30 million-range one day, but growth won’t come with the 20% to 30% spikes tied to residential construction. Future increased revenue will come from a combination of organic growth and acquisition. “We will do it with discipline,” Pope says. “We’ll do it with that 60/40, 70/30 rule in mind. We won’t let the greed overtake our strategy. I’m not going to go back and beat myself up, because it was a great ride, and I learned a lot from it. But now that I’ve been through that, I will not let my greed or lack of discipline outdo the business plan.”

Pope expects to end 2012 at around $8 million, which will likely put him back on the LM150 next year. “The key word that I discussed many times with my leaders and my wife was ‘acceptance,’” Pope says. “Let’s accept what we have; let’s be happy. At the end of the day, an $8 million company is a very respectable company in our industry. Just move on.”
Work with the pros who know how to work the numbers.

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Mowing | Construction | Landscape | Finance

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One hat does it all.

<table>
<thead>
<tr>
<th>Seasonal Payment Plan Example</th>
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<tbody>
<tr>
<td>$8,500 finance at 1.9% for 36 months* Low Cash Flow November – March</td>
</tr>
<tr>
<td>Months</td>
</tr>
<tr>
<td>November – March</td>
</tr>
<tr>
<td>April – October</td>
</tr>
</tbody>
</table>

*Offer ends October 26, 2012. Subject to approved credit on John Deere Financial Installment Plan for commercial use. Up to 10% down payment may be required. $85 and $355 monthly payments are based on $8,500 amount financed for 36 months at 1.9% APR. Taxes, freight, setup, and delivery charges could increase monthly payment. Other special rates and terms may be available, including financing for personal use. Available at participating dealers.
I’ve spent most of my married life — the past 20 years — dodging our bathroom scale. In ducking this weighty issue, I’ve spawned a virtual Dockers store: My closet now overfloweth with dozens of pants spanning 34-, 36-, 38-, 40-, 42- and 44-inch waists.

My mother has lovingly nudged me to lose weight for years. But her latest plea finally struck a chord deep within me: “I can’t lose another son,” she shared with pained eyes and broken heart.

Mom’s vulnerability, and mine, were front and center. I couldn’t help but flash back to 1989, when we lost Dad, without warning, to a heart attack. A tough blow for any wife, never mind a mother of 10.

Twenty years later, Mom had to bury one of her children — their first-born son, who shared Dad’s name and birthday — again, without a goodbye. After suffering a heart attack at age 47, Jim left behind a wife and three children. We buried Jim on Valentine’s Day 2009.

No longer is it just about me and feeding my love of pizza, burgers, fries, soda and sweets. It’s about Mom.

It’s about my lovely bride, Bridgid, and our three great gifts from above: Mickey, 17; Jamie, 16; and Meg, 14. It’s about my eight surviving siblings, 26 nieces and nephews, and numerous in-laws, friends and co-workers.

It’s also about honoring Jim’s life through mine. Adopting a healthier lifestyle gives me a better chance of having more days to live, laugh and love as large as Jim did.

On March 3, Mom’s 80th birthday, I began my quest for wellness — a single word that encompasses all types of fitness: physical, mental, emotional and spiritual.

Wellness cannot be measured solely by a scale. However, a scale can serve as one of a number of useful indicators of an individual’s physical wellness.

In its infancy, my wellness program so far has included a soul-enriching retreat and heightened honesty and accountability regarding my “eat less, move more” resolution.

Today, I maintain a daily food diary. If I bite it, I write it: the food type and amount, calories, and fat and carbohydrate grams. I’m making healthier choices, one day, one meal, and sometimes one moment at a time. Heck, I’m even exercising a little: family bike rides and an occasional game of hoops with Mickey.

The few changes I’ve made so far are working. I’m finally walking toward wellness. The bathroom scale agrees: I’m down 57 pounds.

Equally important, I’m reducing stress with deep-breathing exercises, and trying to strike a better balance between my work and family lives. I’ve evolved into quite the workaholic the past several years. I need to spend more time away from the busyness of business, staying connected with loved ones and our loving Creator through prayer and service.

Pleasing the workaholic in me, countless studies have proven the direct correlation between an individual’s wellness and productivity. No matter how one looks at it, wellness programs work ... if we work them. Won’t you please get well with me?

Today I maintain a daily food diary. If I bite it, I write it: the food type and amount, calories, and fat and carbohydrate grams.
The power of pricing

There is still a lot of gnashing of teeth about market pricing. I showed a chart at a recent Professional Landscape Network (PLANET) event that reported mowing prices in different regions of the country and what the average gross margin is at each price (see Table 1). The table details actual data we collect on pricing. It does not recommend a pricing strategy, nor does it suggest that this is the “right and fair” price. It simply reports what is happening and provides a benchmark for contractors.

The gnashing of teeth part is that some suggest that these numbers cannot be true — and if they are, then people must be “giving it away” and selling below cost. Certainly, some contractors are pricing some jobs very low some of the time, but all contractors pricing all jobs below cost all the time? This is simply not happening. Anyone practicing this strategy would soon be out of business.

Some explanation is in order, however, to explain pricing differentials. Table 2 shows how two contractors in two geographic markets can arrive at a very different price for the same service and still make the same profit percentage. In this very real example, the respective contractors each make a 26% contribution to overhead.

Is someone crazy like a fox here? Maybe. But this is what Milton Friedman meant when he said there are no free lunches. Markets find equilibrium, making certain that the grass is rarely greener on the other side — nor the profit higher (at least for very long).

It simply turns out that the firms charging $19 per hour in Florida are charging what other firms in Florida are charging, based on their very similar cost structures. At the same time, it is also true that firms in Illinois that decided to charge $19 per hour would not last very long, because they have a very different and higher cost structure.

Let’s face it: We are in an economy where the customer has pricing power, not us. If we continue to approach pricing with old estimating methods and production standards, we are missing the boat on price. For example, let’s compare two contractors in the same market.

Say one contractor bids 20% fewer hours, and the customer saves 25%. Is he giving it away? Not if he can do it in four hours on every mow, just as he estimated.

So, from whom would you purchase? Pricing pressure is a fact of life almost everywhere. Every year, manufacturers routinely go to their vendors seeking price concessions. Why? Because they can! They have the power. The smart vendor, instead of howling at the moon about low pricing, buckles down with his people in the factory and figures out how to make the widget more cheaply. This will happen, just as surely as the sun rises every day.

### Table 1: Mowing Rates vs. Gross Margins

<table>
<thead>
<tr>
<th>AMR</th>
<th>AGM</th>
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<tbody>
<tr>
<td>$30</td>
<td>51%</td>
</tr>
<tr>
<td>$28</td>
<td>49%</td>
</tr>
<tr>
<td>$25</td>
<td>47%</td>
</tr>
<tr>
<td>$23</td>
<td>45%</td>
</tr>
<tr>
<td>$21</td>
<td>44%</td>
</tr>
<tr>
<td>$19</td>
<td>42%</td>
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</table>

This table shows what a contractor’s average gross margin (AGM) would be at a given average mowing rate (AMR).

### Table 2: Profit Percentage

Two contractors in different regions offer a very different price for the same service and still make the same profit percentage.

<table>
<thead>
<tr>
<th>Benchmarks/Calculation</th>
<th>Florida</th>
<th>Illinois</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Crew average wage rate (data)</td>
<td>A: $11</td>
<td>$14.50</td>
</tr>
<tr>
<td>B: Price per hour charged (data)</td>
<td>B: $19</td>
<td>$28</td>
</tr>
<tr>
<td>C: Gross margin (A-B)/A</td>
<td>C: 42%</td>
<td>48%</td>
</tr>
<tr>
<td>D: Indirect/equipment cost as percent of revenue*</td>
<td>D: 16%</td>
<td>22%</td>
</tr>
<tr>
<td>E: Contribution to overhead (C-D)</td>
<td>E: 26%</td>
<td>28%</td>
</tr>
</tbody>
</table>

* Differences between this cost between the South and the North are due to:
  - Seasonality: In Florida they mow all year long and get revenue all year long.
  - Equipment type: In Florida they do not need to equip for snow and thus the heavy (and more expensive) vehicles required for snow removal.
  - Environment: Because the weather is milder, the heavier equipment lasts longer.
How BOSS LM Software Helped Klausing Group Achieve Their Highest Profits Ever.

The Klausing Group
Located in Lexington, Kentucky, Klausing Group focuses on the commercial market by offering comprehensive ground management services. Roscoe Klausing, President, believes that every office park, property management or industrial client that hires Klausing entrusts that decision to a person who views their responsibility as getting the job done right. This is right in tune with the Klausing Group’s promise: We make you and your property look great.

Looking For Solutions
About six years ago, the Klausing management team decided that to better serve their clients, Klausing would implement an enterprise business management software solution.

The Lessons Of Poor Software
“The software was just not user friendly and support was poor and expensive, which made us reluctant to use it,” Roscoe said. Worse still, he couldn’t trust the information he was relying on to make day-to-day decisions. Roscoe still laments loss of a $350K account because the job costing information he relied on from his enterprise system led him to submit an unreasonably high renewal bid.

BOSS LM To The Rescue
Still believing in the hope of an enterprise tool, Roscoe found BOSS LM business management software from BOSS LM.

Up & Running Fast
With Klausing Group’s enterprise experience, the transition to BOSS LM was swift and the system went live in less than two months. Klausing Group found the methodical fit-gap approach used by BOSS LM very appealing.

The Powerful Fit-Gap Process
Roscoe commented that, “…the fit-gap process was extremely valuable because we were able to pinpoint specific operational procedures needing attention before implementing BOSS LM.” The results are real time and the management team now uses information they can trust.

Employee & Other Advantages
The new user friendly system means every employee managing data vital to operational success enters that data themselves. Quarterly account-by-account audits use to take Klausing 1-2 days. With BOSS LM, data feeds seamlessly to the Accounting System and the CPA is done before lunch on the first day.

Spectacular Support
“…support from BOSS LM has been spectacular. I have no other supplier that has developed such a partnership-oriented relationship.”

BOSS LM Produces Profits
A year after implementing BOSS LM, Roscoe says, “…our profits are the best they have ever been and I attribute much of that result to BOSS LM.”

Favorite Feature Is In The Cloud
And, Roscoe wouldn’t let you go without telling you what he sees as the single biggest BOSS LM feature—Web-based functionality. “I can access the system wherever I am through the web and still be in touch.” Straight from his iPhone, Roscoe stays abreast of critical issues with a real-time view into the business. His BOSS LM system helps him achieve total control of his business.

Roscoe would ask, can your software do that?
Starting your business as a teenager does have a few perks. Adam Linnemann, president of Linnemann Lawn Care & Landscaping, started with a push mower, riding lawn mower and wagon.

“I love talking with my clients, and at the time when I started, most of them were elderly,” Linnemann recalls. “I would spend sometimes 30 or 45 minutes with them after I cut their lawn, just socializing and enjoying a cold soda. If I was lucky, they would sometimes bake desserts.”

Linnemann doesn’t have that extra time today, but he’s still focused on making customers’ experiences better.

How has the industry changed during your time working in it?
The competition has really increased. There are a lot of fly-by-night companies out now, guys trying to make an extra buck on the side or after hours from their full-time jobs.

Equipment is way more efficient and advanced. We used to use paper time cards; we are now using Exaktime PocketClocks for attendance. Back in 1994, when I started, I could buy gasoline for under $1.

Why did you start your board of directors?
To gain insight from an outsider’s view. We have a technology person, a commercial banker and a Green Industry equipment supplier on our board.

My board has provided suggestions on offering a different selling tactic. They recommended “menu selling” — basically, offering different lawn maintenance packages in tiers. The higher the tier, the more of a discount the customer will receive.

What challenges do you see in the lawn care segment of the industry?
In general, it’s been hard to find good qualified help. It’s also been difficult to retain our in-the-field team members (laborers). Other issues we are facing is that the mild winter hurt our sales goal for the year and insects are bad and out in full force.

How are you addressing those challenges?
The winter, we could not control. We have two available pesticide applicators this year to tackle the accounts if the weather dictates immediate action, and to also help meet and exceed our clients’ expectations.

How has the economy affected your business, and how are you dealing with it?
It hasn’t affected us much at all, and by being mostly a maintenance company this has helped a lot. I would have been scared if I strictly did landscape installs. We do a 70% maintenance, 30% install mix.

What’s the best part of your job?
Meeting new people and networking. Providing service to my community and globally is fun, and gives me a great feeling. It’s also nice to know that I can pretty much go on vacation at any given time or take the afternoon off, thanks to our processes and procedures we have in place. It has taken 18 years of hard work and sweat to get to this point, but it’s been well worth it.

What do you consider to be the most significant moment in your business career?
There are two things: First, our first business acquisition. We bought out a lawn fertilization and weed control company that had almost 400 clients. It taught me to stick to my grass roots in marketing and customer communication. Second, being asked to speak at the Turf & Ornamental Communicators Association (TOCA) conference was amazing. This was my first speaking event, and it was an awesome feeling and pleasure to be asked to participate. For me, it was a milestone that I hope continues to come around again in the very near future.