

# CLIENTELE INSULATES ARBORISTS FROM ECONOMIC SLOW-DOWN

By John Kerr, Assistant Editor

Arborists throughout the country are wondering why all the talk about a bleak economic climate. It's no joke that spending has been cut for items like tree care, which some consider luxuries. But arborists are finding that those who request such services value them more than ever. People are scrutinizing their landscape with acute vision since they are traveling less and spending more time around the house.

Not only are residential customers steady. The influx of work from the commercial sector, and to an extent, for utility line clearance, has kept pace or surpassed last year. Arborists who clear utility lines risk the loss of business from power companies, whose annual budgets are not as strictly determined as factories or institutions and may cut spending any time of the year. This factor has prompted those who mainly worked on utility lines to diversify their operation.

Other reasons exist for the general optimism among arborists. Environmental awareness and promotion of events such as Arbor Day have boosted the public's appreciation of trees. Bob Felix, executive director of the National Arborist Association, says that American people are jealous of their leisure time and won't begin to do the work themselves. "People wish to take care of their property and will spend money to do that," he says.

Many arborists agree that the socio-economic level of their customers makes them nearly the last to be affected by a recession. "Some feel that by the time the ripple affect of a recession reaches the level of tree care clients that you customarily deal with, the economy will be climbing out of the recession and it will not be felt at all," says Felix. For the present, when arborists hear talk of a "so-called recession," they don't listen.

Neil Engledow, who runs Midwestern Tree Experts Inc., was concerned about the slow request for work a few months ago. Now it appears that people staying home more, damage from winter, and high sales of shade trees could make this one of his best years. Tornados have caused extra work and the epidemic of pests forced Engledow to add a new rig for spraying.

Five different types of scale and 16 varieties of caterpillars have infested trees in Engledow's Indianapolis area. Last winter's mild temperatures didn't kill the scales; the winters of two and three years ago were so harsh that they killed the fibrous feeding roots, a condition which is just manifesting itself this summer in the form of weak foliage on some trees. Engledow is worrying that chemicals he uses that no longer have a strong residual effect will not solve the problem. His customers don't like spraying done over and over so he is looking at superior oil sprays, which have to be diluted and used at the right humidity and temperature.

Because many factory workers with qualified skills for tree care are laid off, Engledow can be very selective in who he hires. He thinks his em-

ployees are also starting to appreciate their jobs more. An incentive program learned from a fellow arborist helps production.

Engledow has improved business by going to more contract work instead of an hourly rate. When his crew is on a job, they inspect the property to anticipate future needs. To reduce fuel costs he has cut back to a 15-mile perimeter around headquarters. That's also because business is so good. "I'm in a very fortunate position," he says. "I can hardly get out of my own realm."

Eric Haupt, owner of The Haupt Tree Co. in Sheffield, MA, hasn't seen any direct evidence of recession. He attributes some cancellations and a volume up-net down situation to inflation rather than recession. What's hurt is the high cost of pesticides and overhead on office space and garages, which make it difficult to compete with those who leave their equipment outside and charge less per hour.

"Overregulation is a bigger problem than recession," says Haupt. Overlapping regulations from the EPA for pesticides, OSHA for safety, and the Dept. of Transportation for hazardous materials cost much to comply with. They force gypsy tree companies to raise their standards, which gives the profession a better image, but the good operations still suffer. For example, Haupt says the decal on his spray rigs which identifies a registered applicator expired this March. The EPA, behind on its paperwork, has OK'd Haupt for continued spraying. The agency must OK every operation then, even those spraying indiscriminately.

Concerned with keeping his good reputation with clients, Haupt makes a point to contact them. "The public and clients are fickle," he says, "We sell them on skilled service, but if they find out later about another company with a lower price, we run the risk of losing them."

One lesson Haupt has learned is not to put all his eggs in one basket. He has seen the power company running Three Mile Island lose everything. He is determined to prevent this and will not make his utility line operation more than 50 percent of his business. Extra emphasis has also been put on maintenance for safety, appearance, and better fuel consumption.

Haupt believes from a nursery standpoint, the recession will probably help. He now has more employees than ever. With better coordination of his expanding family-run business, there will be plenty more work to do.

On the other side of the country in Clackamas, OR, volume of work is holding well for William Owen, owner of General Tree Service (formerly General Spray). Owen has experienced no particular impact from the "so-called recession" in general, but has had two sizable commercial accounts make substantial cutbacks in service. Business has increased from last year.

Owen recognizes the economic situation but

shucks the negative talk which feeds the fire. "I questioned a number of big associations and found there was almost no significant impact because of the so-called recession," he says. "The biggest defense against it is to do things on a positive note, take a move to create new business unless the crippling cost of cash flow makes it impossible."

Because of the high fuel expense, Owen methodically routes his crews to reduce driving and reminds them to idle trucks less. When working in a neighborhood, someone will canvas the area to describe services and spread the name of General Tree Service.

The company advertises no more than it always has, but sends a special printing of its brochure to certain accounts—offices, commercial installations, or factories which need landscape. "This market considers tree care a necessity," says Owens.

Reaching the level of clients who can afford the arborist's service through advertising and other efforts will become increasingly important in the future, Owen thinks. Other pursuits he considers vital to survival are to be a top-line professional in a diversified manner, and to realize this professionalism particularly in the area of integrated pest management.

Down in San Antonio, TX, the Horti-Care Corp., owned by Alan Brook, has raised its volume 10 percent with consideration for inflation. Small accounts on fixed retirement incomes have dropped off, but otherwise business has been strong. "I've always had people say 'it's too much, I can't afford it,'" says Brook. "I take the approach that if they're going to take care of their trees, they can't wait until next year."

Brook is trying to get better people and equip-

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## TREE CARE SAFETY PROGRAMS—FACT OR FICTION



**By Robert Felix,**  
Executive Vice President,  
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In 1979, accident frequency in the tree care industry increased by 30% over 1978.

Workers compensation rates continue to increase at an alarming rate.

These are statistical facts that cannot be disputed. Everybody talks about safety. Many claim to have safety programs, but how many of these programs are effective?

Paying lip service to safety, passing out safety bulletins without explanations, and assuming that tree workers understand is a presumption that the tree care industry cannot afford.

The only way to reduce the frequency of lost time accidents and reduce your cost of workers compensation insurance is to make a sincere effort to properly train your employees. This requires time and costs money but it pays dividends. Anything less is a figment of your imagination. Anything less is a fictitious safety program!

Some say that "It's safe if you know how to do it!" That is a half truth. It is only safe if you know how to do it, safely.

The tree care industry is a high risk industry. The heights that we work at, the electrical hazards involved, the equipment that we work with, and the pesticides that we use each pose a threat to the safety of the untrained. It is easy to measure an increased cost for insurance, but not so easy to measure the pain and suffering resulting from an

injury, much less production and inefficiency.

Much of this can be avoided with an ongoing safety program. Such programs exist in the form of slide/cassette programs from the National Arborist Association, as well as a Tail Gate Safety program. Both are based on the Z-133.1 Standard of the American National Standards Institute, "Safety Requirements for Pruning, Trimming, Repairing, Maintaining and Removing Trees, and for Cutting Brush."

The economics of a safety program without even giving any consideration to the pain or suffering of an injured worker are very simple. For example: If a three-man crew, which ordinarily produces \$60 per hour, devoted one hour per week to safety, lost production for the year would be about \$3,000. At an average of \$6 per hour per worker, plus payroll taxes and benefits, the payroll cost per year would be \$1,125 resulting in a loss of revenue of only \$1,875 per year.

Three men earning an average of \$6 per hour would earn \$37,440 per year. If your manual rate for workers compensation was 20%, your cost would be \$7,488 per year. A 25% experience credit would equal \$1,872, as much as was sacrificed in revenue for the one hour per week safety training program, plus fewer lost-time accidents and more production.

The National Arborist Association safety training programs are tailor made for the tree care industry. The slide/cassette program provides an audio/visual exposure to safe practices presented in an informal atmosphere. The Tail Gate Safety Program is highly structured yet designed to be presented in the field. It includes attendance records and provides all of the necessary ingredients required by OSHA.

Tree care safety is an essential ingredient in good arboricultural practice. We must do a better job of putting it into practice.

For more information on the slide/cassette and Tail Gate Safety programs, contact the National Arborist Association, Inc., 3537 Stratford Road, Wantagh, NY 11793, 516/221-3082.

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ment to overcome a production lag. Although experienced personnel have become more available in many parts of the country, not in Texas. His turnover of trainees is too high, about two out of 50. Texas A&M has begun teaching forestry. "They come from there and think they'll sit behind a desk and cut trees," he says. "Most college students don't like to sweat."

A search for an experienced supervisor has been unsuccessful. The right man could help double business, Brook thinks. Getting a person with the right attitude is the most difficult task.

To cut fuel costs, Brook leaves his equipment at the site of a fairly large job instead of driving it back and forth. He thinks that because money is a little tighter, people are taking advantage of pay delays, paying in 45 instead of 10 days.

Brook built his business from scratch and has seen people become much more conscious of taking care of trees over the last 18 years. "The environmental groups are a thorn in the side, but are making people more aware," he says. He worries that the arborist societies may be their own worse enemies.

"I don't believe the National Arborist Association, the International Society of Arboriculture, and the American Society of Consulting Arborists are doing enough to sell our expertise and the value of tree care. Eighty to ninety percent of the people who claim they are arborists are line clearers. Many are installing cables. They don't want the public to know of good standards for tree care. The premise they're working on is build the volume of business. The push is clear the lines, hell with the trees. If the public knew what damage they were causing, they'd have to revise their whole approach."

Fewer companies will be doing pure arboriculture in the future, Brook thinks. "The work being done on public institutions is not being supervised by professionals. The general public thinks this is what good tree care is. Unless we, as a profession, take the bull by the horns and teach the public what good tree care is and get professional public relations in back of it, they never will."

A couple arborists in Colorado see the recession but haven't been much affected by it. Jerry Morris, who runs Rocky Mountain Tree Experts, Inc., has found work very strong throughout Colorado and adjoining states. His crew of 70 has become a solid force after much trouble finding experienced help.

The best way to promote business, Morris thinks, is by knocking on doors and speaking to groups about trees, lawns, and yards and how to maintain them. He also solicits by mail and puts out a calendar each year.

Accounts receivable is higher than Morris likes it, but it doesn't look threatening to him. Customers wait more time between billing and payment, some up to the full 30 days.

What does threaten Morris is the EPA. The agency is especially active in Colorado because the state voted not to certify spray applicators and all are under federal jurisdiction. "The word is get Colorado and they're going to do it," says Morris. "It's a matter of time before they get after us. There isn't anybody in the EPA who's got a head for the practical use of chemicals. People who regulate

should have a knowledge of the business."

Bob Schulhoff, a neighbor in Golden, CO, owns Arborist Service Inc., which operates in the western suburbs of Denver. New business is a hair down but old business is steady. He has steadily increased business this year 18-20 percent, although the May wind and rain storms slowed things down.

Although he must be more careful of spraying, his spraying business has actually increased. His attitude about the EPA action differs slightly from Morris's. He realizes that regulation will probably spell the end to ground spraying over the next 10-20 years. But this will force the need for injections and systemics, which would be "fantastic — only the certified can handle it," he says, "and it will be harder to get certified." He thinks work may turn to more consulting, which would also be more profitable. "People will call us for advice, like attorneys and doctors."

Schulhoff has cut back the number of employees, but has more experienced help. His payroll is higher, paying more for the experience, but he gets the work done more efficiently. His best advertisement is doing gift work, such as for a YMCA, church, or other non-profit organization.

In Rockville, MD, close to Washington, DC, Walt Money and his Guardian Tree Experts are finding business ahead of last year and a little more than inflation. Money is more concerned in skyrocketing labor costs. Spraying and feeding customers are opting for these jobs over pruning.

"It's not a bread and butter industry," says Money. "When something is going to be cut out, it could be us. He is not eliciting a super increase in work, but a moderate one."

Instead of a spring or fall letter to customers, Money and his six reps call and visit every one, every year. "During the 74-75 recession we were calling people to tell them their trees won't wait until next year." He thinks it's important to call people in good times as well as bad. "They get used to hearing from you."

When cash flow is slow and people take longer to pay bills, Money's crew calls and asks the problem. He thinks this helps to read the pulse of the times.

Money echoes many arborist's comments that business is recession proof. "People we are working for are in the upper income and won't feel the brunt of recession as much. They'll feel a slow-down but not a stop."

This arborist sees wider interest in technology and management seminars. "There seems to be a hunger and thirst for knowledge in the profession," Money says.

Managing efficiently and utilizing valuable information provided by the arborists' societies and industry representatives is becoming very important to the arborist in the 80's. Competition as well as regulation will grow, forcing the professional arborist to be a standout in his field.

As the country slows its pace a bit, people will notice their environment more and demand it be maintained. Not only will the arborist continually have to upgrade his technical skills, he will need to promote his profession to the public as well as his clients. Since what he does will be inspected closely, the professional arborist, like a doctor or lawyer, will often be consulted.

**WTT**