

CONTRACTORS STICK TO CONSTRUCTION AND WAIT FOR RECOVERY

The majority of landscape contractors in a recent *Weeds Trees & Turf* survey is unyielding to pressure toward maintenance over construction, despite an uncertain future for construction and a good record in maintenance over the last ten years.

Nearly 80 percent of the contractors in the survey list construction as a primary or secondary business with 60 percent in the primary category. Only ten percent list maintenance as a primary business, however it is the dominant secondary business of the contractors with 25 percent in the secondary category.

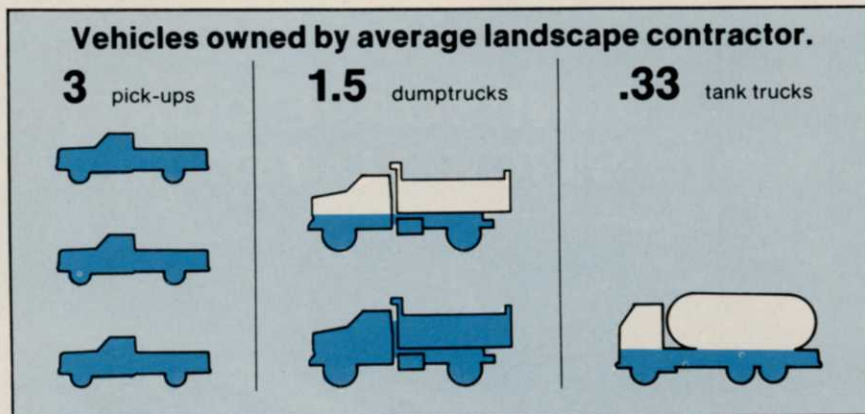
Landscape design is primary with six percent of the contractors and secondary with 12 percent. A third of the contractors operate a retail or wholesale nursery in addition to contracting.

Slightly less than a fourth of the contractors divide their companies into divisions. Divisions listed by the contractors include design, irrigation, maintenance, construction, retail, sod, and wholesale.

Single-family residential is the target market with the most potential, according to the contractors surveyed. It is also the highest priority market at present.

Comparing present target market priorities to markets with the most potential indicates a shift toward serving multi-family residential, a steady concentration on single-family residential, equal emphasis on single-business commercial, and falling interest in multi-business commercial. A slight increase in interest in government agency work is also indicated.

Owners of landscape contracting companies made up 45 percent of the respondents, managers 25 percent, presidents 15 percent, others 15 percent. These



contractors reported an average crew size of 2.75 foremen, 8.75 crew workers, and 3.5 part-time workers. Their companies averaged 19 years in existence. Four companies had been in business more than 50 years and most others more than 10 years.

Hard working, trainable people are the most sought after employees by contractors. People with previous landscape experience are the second most desirable. People with horticultural education are sought after by only 16 percent of the contractors. People with a good business sense without landscape experience are sought after by 10 percent of the contractors.

More contractors buy equipment on an as needed basis than by any particular buying month. Chemical purchasing is heaviest in February and March although planning for

both chemicals and equipment is heaviest from October through February.

The dominance of construction in the market is evident by the high ownership of construction equipment, such as tractors, spreaders, seeders, and trenchers. The contractors on an average own 2.25 tractors, 4 seeder/spreaders, and 1 trencher. Most companies owning trenchers have more than 1, actually an average of 2.2. Roughly half, a figure approximating those listing construction as their primary business, own trenchers.

All contractors listed ownership of tractors, seeder/spreaders, chain saws, and small mowers. Two-thirds of the contractors own large mowing equipment, an average of 2 each. Spray units are owned by more than half the con-

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TABLE 1
Current market priorities and growth potential. (6 lowest, 1 highest)

Market	Current Priority	Growth Potential
single-family residential	1.85	2.12
multi-family residential	3.33	2.65
single-business commercial	2.64	2.67
multi-business commercial	2.5	3.17
government agencies	4.08	3.86

tractors. Turf aerifiers are owned by just less than half, the same for line trimmers.

The contractors own an average of 3 pick-up trucks and 1.5 dump trucks. Tank trucks are owned by less than a third of the contractors.

The state association is the dominant organization in the landscaping industry. Half of the respondents belong to state associations. More contractors belong to no association at all than belong to national organizations, a third of the respondents. Those national organizations listed in order of the number of mentions are Associated Landscape Contractors of America, the American Association of Nurserymen, the National Landscape Association, the Professional Grounds Management Society, the American Society of Landscape Architects, and the Society of American Florists.

Quality is the prime reason contractors feel they have done well in business. Service to the customer was listed as the next reason for

success. Price was down the list, below firm bids, broad plant selection, and reliability. Offering a guarantee was listed by only one contractor as the key to success.

When asked about the keys to future success, the contractors listed the economy and careful management most often. Contractors are not looking to any particular segment of the market for fu-

Contractors may shift toward multi-family residential as a future market.

ture growth or making any great changes in their direction. Markets mentioned specifically by contractors as promising for increased involvement are renovation, new construction, commercial maintenance and government work. However, there is no indication that a large number of contractors are going to abandon construction for maintenance.

Overall, the survey indicated most contractors are sticking to their present type of business while laying low until the economy improves. They are aware of promise in certain types of markets, specifically multi-family residential and government work. But, they believe construction will pick up with the economy and make major changes in direction unnecessary.

This does not support the concept of contractors rushing into maintenance. Consultants have been strongly advising a shift toward maintenance to shore up cash flow. Perhaps their advice is limited to mid to large-sized firms with greater overhead. Cutbacks by smaller firms to survive the recession were evident in the survey. The keys to survival are clearly based upon the size of the company. An improving economy may show some change in contracting firms as they once again staff up. *Weeds Trees & Turf* will make a follow-up report on the landscape contractor in January 1984. **WTT**

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