

More sophisticated business management, more efficient technology, and division of labor take landscaping into a new generation.

Second Generation Landscaping

by Bruce F. Shank, executive editor, and Ron Hall, assistant editor

The landscape business is entering a new generation. Large landscape management corporations have set a pace and level of sophistication which smaller companies are following. This transformation, gradual during the 60's and 70's, has now reached the majority of the market.

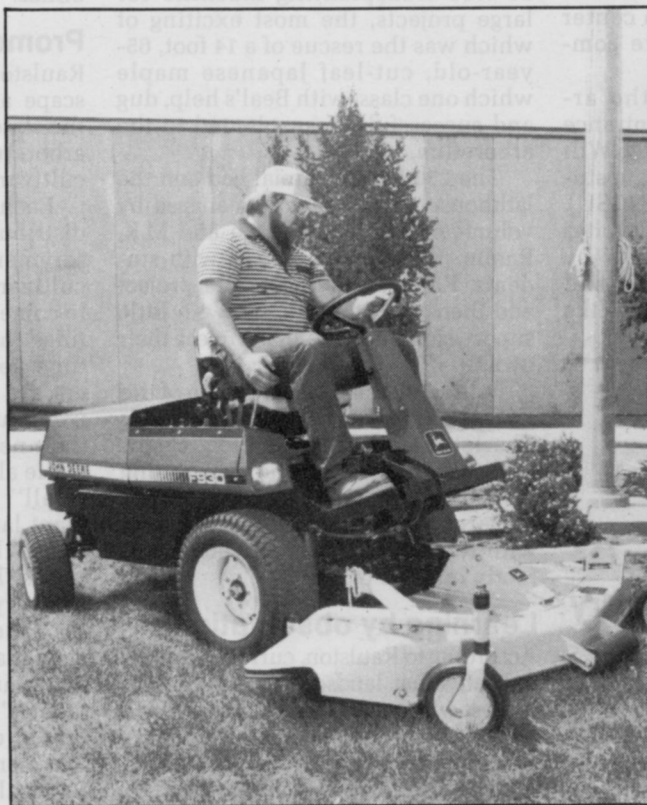
The nursery market, foundation of all landscape markets, is primarily a product market in a business world where service is king. As a result, the landscape market is figuratively being turned on its head, for both exterior and interior landscape markets.

Design, construction, and maintenance services far outvalue the plant material used in a landscape. Furthermore, design and construction are one-time business propositions, whereas maintenance is continuous.

While construction firms expanded into maintenance and design, landscape architects avoided maintenance and construction. The majority of companies labelled design/build today were previously on the construction and maintenance end rather than the design end.

Landscape architects, who often voice concern over the installation of their designs by contractors, are apparently more worried about the responsibilities involved in construction and maintenance than installation by others.

The long-feared fly-by-nighter is less a threat today because his level of



Front-mounted rotary greatly increases productivity of mowing crews. This new Deere F930, and its sister walk-behind mower, were designed by the company specifically for the professional landscape market.

sophistication is noticeably less than leading companies. The groundskeeper is fading into extinction as the landscape manager takes his place.

Division of labor and specialization, both signs of higher level business, are in place in new generation firms. Companies dependent upon one person for both business and technical expertise can't keep up with the volume or efficiency of firms using modern technology and business practices.

Most of the advancement has taken place in the maintenance end of the business. More than half the landscape contractors who were primarily construction in the early 70's now have maintenance divisions. More than 80% also offer design services as well.

Colleges are changing to meet the needs of the modern landscape business, adding business and marketing courses to their horticulture and agronomy programs. Junior colleges find a growing demand for their landscape graduates. Many companies hire graduates of business colleges for business and marketing positions and then educate them to the technical part of the market.

It appears division of labor is resulting in landscape companies hiring graduates of two-year colleges to be technicians and graduates of business schools for upper management.

"We have seen good improvement in educational programs for the industry," says Rod Keppel, Arbor Heights Nursery, Webster, NY. "I think public relations and management are important. The technical knowledge seems to be there."

"I see the two-year schools carrying the ball," says Ray Gustin of Gustin Gardens, Gaithersburg, MD. "The two-year technical colleges seem to be really training more of a technician."

"Landscape contractors will have

to have a better understanding of money, particularly with interest rates the way they are," says Dave Pinkus, president of North Haven Gardens in Dallas, TX. "They have to have a better understanding of business and business practices."

Contractors like J. C. Patrick of Proscap, Baton Rouge, LA, want to go beyond maintenance to 'total exterior management'. "Once we get an account," Patrick says, "we want to take care of everything having to do with the exterior."

Most of Pro-Scape's growth came from design/build work in 1984. Patrick is optimistic because he expects a new Jack Nicklaus development in Baton Rouge to attract more companies to his area and to raise standards of construction and maintenance.

DiSanto Companies in Cleveland, OH, takes Patrick's thought a step further, offering exterior and interior landscape design, construction, and maintenance. President George DiSanto maintains separate divisions for exterior and interior work, but often finds out about new inte-

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David Burnley, Contra Costa Landscaping Inc., Martinez, CA, said his company has gotten more into maintenance the past four to five years due mainly to a building slump. Today, Burnley sees construction and maintenance of the many business parks being built in his area as his future strength.

Maintenance does have its drawbacks, says Greg Boykin, of Boyko Maintenance in Wilson, NC. "If I'm going to follow the installation contractor or another maintenance company, I want to make sure he's done a good job in the first place. If you don't

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—Burnley

Bob Doman of Planned Outdoor Living in Ogden, UT, is finding his business shifting from large residential to commercial. "Although our company has concentrated on large residential accounts, we have gained more commercial accounts recently."

"There was a lot more commercial work than a year ago, maybe 50% more," claims Ray Gustin, Gustin Gardens, Gaithersburg, MD. "But you have to remember, our residential work didn't fall off as much as the commercial during the recession, so it didn't have as far to come back."

Part of good business planning is controlling the customer base. Mike McGuinnis, director of business development for Reinhold Landscaping, Flat Rock, MI, helped that company reduce its dependence on auto-related industries. The Michigan company recently landed a Federal Express account in Memphis, 360 miles from Detroit. The good news is the auto market is booming again, but McGuinnis is still seeking a broader account base.

Still needed

"The Industry has two big needs at the present time," says Burnley of Contra Costa. "The greatest need is for good foremen who can take primary job responsibility and get the job done. Many companies feel that's their biggest limiting factor right now.

"Also, we need to educate property managers and other prospective clients to establish a set of pre-qualifications for their mainte-

nance, says Burnley. They need to look past the initial price in determining which company can meet their needs.

"In the past, property managers have looked at maintenance as a very simple operation that almost anyone can do. They eventually find out they come out way ahead in the long run if they work with an established company with well-trained personnel."

Good management skills are needed more than anything else according to Dorman of Planned Outdoor Living. "There a lot of people in the industry who can read a blueprint and do the technical work. But too often they try to do all themselves instead of delegating responsibility and managing people so that the job is done right and on time. Of course, they have to know how to deal with clients too."

Registration is a solution to fly-by-nighters says Boykin of Boyko. "To be recognized as a registered landscaper in North Carolina, you must first take a test. It separated the men from the boys."

A recent survey by *Western Landscaping* magazine pinpointed nine primary problems facing the landscape industry. They include lack of professionalism, low balling/underbidding, the economy, unqualified personnel, consumer ignorance, government regulations, profitability, shortage of supplies, and competition.

At the same time, the magazine cited ten leading opportunities. They are business diversification, drought tolerant planting, maintenance, water management, drip irrigation, renovation, irrigation consulting, automation/computers, public awareness of profession, and hardscaping.

The most dependable service according to the magazine's readers is maintenance, rated nearly twice as dependable as construction (52.8% to 31.8%).

The new generation of landscape management companies has realized that maintenance is a valuable part of a service company. It also is positioned to take on other services since it now has a business core which can handle nearly any service. This flexibility, coupled with division of labor and efficient technology, is the new foundation of the landscape management market.

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