

LANDSCAPE MANAGEMENT

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LAWN CARE SPECIAL

YEAR OF THE BUY-OUT

Never before has the ownership of so many lawn care companies changed hands in 12 short months. What do these acquisitions and buy-outs mean to the average LCO? Read on.

by Jerry Roche, editor

1987. The Year of the Buy-Out in professional chemical lawn care. Consider what has happened in the last 12 months:

- The ownership of ChemLawn, the country's largest lawn care company, changed hands.

- More than 20 of the nation's other largest lawn care companies were involved in buy-outs, acquisitions or mergers.

- The "Million Dollar Lawn Care List" published annually by *Lawn Care Industry* magazine is expected to decline by at least 10 (from 57) in 1988. This list has never previously, in its 11-year history, experienced a decline.

"If you look at other industries, what we're going through is a part of normal maturation," says Jim Brooks, executive director of the Professional Lawn Care Association of America (PLCAA).

"But it's also saying that, despite the regulatory problems and the pesticide controversy, there's still confidence in the market.

What does this mean to the little guy, the under-\$500,000 business that is the backbone of the industry?

"Individuals who like doing rather than managing may want to get out now while the business is still there to get rid of," says Ed Wandtke of All-Green Management. Wandtke implies that the increasing number of large companies will use



refined marketing skills to garner the market now being serviced by the small companies. "The exception is the mom-and-pop operation with just one or two routes," he adds. "The moms-and-pops will always be around."

How have these business transactions affected the lawn care operator, who has been an entrepreneur for 15 or 20 years, and who—typically—is reaching a point in his or her life where some important career decisions must be made?

"It's been my observation that anytime in life there is change, people get nervous," observes Russ Frith of Lawn Doctor. "Yes, there's a lot of concern in the industry because we're now dealing with an unknown." The unknown, of course, is the future of individual companies.

"The guy that I might have sympathy for," Frith continues, "is the guy who might panic. Before deciding to sell, a lot of soul-searching has to be done. Opportunities will be available for some people to exit the industry on very worthwhile terms. But the

decision shouldn't be made just because everybody else is selling."

For Marty Erbaugh of Lawnmark, the decision not to sell was easy.

"We're interested in keeping on top of what happens in the industry. We will not sell," he says. "Demand for the services is strong. I don't see our growth slowing down. Selling is a logical thing for a lot of people to do; the prices they're offering are generous. But I really like this business. It's still fun."

Frith also thinks the acquisition/merger situation should be good for the industry, if the new companies exercise "rational judgment." That means making decisions in the best interests of the lawn care industry.

Says Brooks: "We, as sort of custodians of the industry, would not like somebody coming in for the bottom line and not being sensitive to the issues we have in the public health sector." Brooks hopes any new entries in the market would help with public education and in lobbying for safe products and safe use of those products.

Despite all the acquisitions and mergers at top levels, business goes on for most lawn care companies. LANDSCAPE MANAGEMENT visited two such operations, McGinty Brothers in Chicago and the Milwaukee branch of The Davey Company. Profiles of those prospering businesses follow. **LM**



Brooks



Wandtke



Frith



Erbaugh

SOME RECENT LAWN CARE TRANSACTIONS

- ChemLawn (Worthington, Ohio) purchased Shur Lawn (Lincoln, Neb.)
- ChemLawn purchased Lawnrite (Long Island, N.Y.)
- Ecolab (St. Paul, Minn.) purchased ChemLawn
- New England Green (Springfield, Mass.) purchased Mister Lawn Care (Grand Island, N.Y.)
- New England Green merged with Turf Pro (Plymouth, Mich.)
- Rollins (Atlanta, Ga.) purchased New England Green
- Barefoot Grass (Worthington,

- Ohio) purchased Tempo 21 (Chicago, Ill.)
- Tru-Green (Atlanta, Ga.) purchased R.W. Collins (Satellite Beach, Fla.)
- Tru-Green purchased Lawn Groomer (Normal, Ill.)
- Tru-Green merged with Excellence (Louisville, Ky.)
- Waste Management (Oak Brook, Ill.) purchased Tru-Green
- All-American Turf Beauty (Van

Meter, Ia.) purchased Shur Lawn (Omaha, Neb.)

- Ever-Green (St. Louis, Mo.) merged with Superior Lawn (Louisville, Ky.)
- Lawnmark (Peninsula, Ohio) purchased Spray-A-Lawn (Orrville, Ohio)
- Thoma Brothers (Erie, Pa.) purchased Fox Valley Professional Lawns (Appleton, Wisc.)
- Laidlaw Transportation (Canada) purchased Monroe Tree and Lawn-tender (Rochester, N.Y.)

LANDSCAPE PROFILE

ONCE A HERO

In the old days, lawn care companies were heroes with homeowners. Today, negative media has changed that. But through education and custom-designed programs, McGinty Brothers Professional Lawn and Tree Care is winning again.

by Heide Aungst, managing editor

Charlie McGinty remembers the good ol' days in lawn care. Those were the days before the EPA, before the big operations like ChemLawn, before sign-posting and before media exposés.

"Back in those days it was more fun," says McGinty, president of McGinty Brothers lawn and tree care of Chicago. "Taking on a new lawn, you were a hero overnight when you turned a weed patch into a weed-free lawn. A lawn taken care of by us really stood out. Nowadays, there are not as many super-weedy lawns."

And, nowadays, homeowners are more likely to interrogate a company than praise them. That wasn't true in the '60s. "At that time, the issue was educating the public that there was lawn care," McGinty says. "It was quite a project until ChemLawn came along."

McGinty's father started spraying lawns in the late 1950s with a two-wheel cart. McGinty took over in 1960, and ran the business part-time

while he worked in the Chicago forestry department. In 1963, the business became full-time. In '65 he incorporated. This year, projected gross sales are \$1.4 million.

Although Charlie maintained the name, McGinty Brothers, his brother

never joined the company. The name fits the company today, since several of Charlie's sons are involved in the business. Chuck McGinty Jr. is involved in many aspects of the company, including his position as maintenance manager of the fleet of 26 vehicles. Tim and Brian are spray technicians.

Other changes

Through the '60s, McGinty Brothers continued to grow, but changed little. Then came the early '70s and the formation of the Environmental Protection Agency.

The chemicals used by McGinty Brothers changed along with the lawn care industry. McGinty remembers using calcium arsonite and Zintron to control annual grassy weeds. McGinty used DDT for elm tree spraying.

Insurance problems have changed for McGinty Brothers, as they have for many lawn care companies. "We



Charlie McGinty discusses his successful business with lawn manager Charlie Meersman.

used to have a difficult time because of our tree work, but now carriers are more concerned about pesticides," McGinty says.

Things also changed drastically when ChemLawn started in the early '70s. Suddenly, family-run companies like McGinty Brothers had competition. And they had to find ways to compete.

Sales manager Pat McEntree and lawn manager Charles Meersman have designed and presented a company seminar/general training program. Management, office and production personnel are brought together for presentations on professionalism, safety, customer relations and possible problems in the field. "These seminars have had a positive impact in all phases of the operation," says McEntree.

"We used to rely on word-of-mouth and a little advertising in local papers," McGinty explains. "In the '70s we used direct mail. But the '80s demand new marketing strategies, some of which are winter telemarketing, trade magazine ads and—still most important—word-of-mouth."

Customer communication

Communicating with customers is perhaps what's kept McGinty Brothers in business. "We have an excellent reputation in this area among customers, universities and people in the industry. If that's success, I guess we're successful.

"But what I really attribute the success of our company to is the dedication of our people, especially our managers and office personnel."

JoAnne Hedrick and her office staff, Geraldine Opland and Jeanne Heinrich provide professional and personable first-time contact with prospective customers and handle any current customer questions. The company has 25 full-time employees and about 10 college workers in the summer. Last year, it laid off only one employee in the winter. The rest keep busy pruning trees. (The company has a full-service tree department that includes spraying, feeding, trimming, removal and land clearing.)

McGinty has expanded his training program so most workers are familiar with both the lawn and tree care businesses. Meersman observes that, "over the years, client awareness has increased appreciably, requiring more knowledge and professional field personnel."

The program

Meersman explains that the

company's full lawn care program includes five applications, but that there are variations because clientele range from 1000-sq. ft. lots to the whole Illinois tollway system.

McGinty Brothers uses both dry fertilizer from Lesco and Classens and liquid fertilizer from Nice 'N' Green and Tyler Enterprises. The company blends its own fertilizer for each application by time of year and current weather conditions. Lescosan is used for crabgrass control. UAP herbicides are also used, as is Dursban for insect control.

Seeding

Another growth area for McGinty Brothers has been in slit-seeding and overseeding lawns in the spring and fall. Slit-seeding is done in two directions in a diamond-shaped pattern with a blend of bluegrasses and ryegrass. Core aeration and dethatching are done if needed.

Hydroseeding are the fastest-growing area in the company.

McGinty Brothers is active in the year-old ANVIL (Association for the use of Native Vegetation In Landscapes). McGinty vice-president Jim Safron works closely with Chicago's Lafayette Home Nurseries in doing golf courses, commercial properties and residences with native plants.

Some of the material is drilled into the ground with a Rangeland Drill, others are hydroseeded with a mulch. "The key is using enough seed and enough mulch," Safron says. "We use wood fiber mulch with a tackifier from Conwed or Weyerhaeuser."

McGinty Brothers has worked with prairie plantings for more than three years and plans to continue that addition to the lawn and tree care operation. Expansion, customer communication and employee dedication could lead Charlie McGinty to even more success down the road.

Maybe someday, 1987 will look like the good ol' days. **LM**

LANDSCAPE PROFILE

THE BEST POLICY

Honesty with customers is vital to effectively communicate with them. And communication is vital to a healthy business, as The Davey Company's Milwaukee regional manager knows too well.

by Jerry Roche, editor

Some people don't realize that lawns, like people, get tired and need rejuvenation."

Bill Whitmire, white shirt spotless, tie knotted neatly at the neck, is giving you his softsell.

"We get a lot of residual customers who don't buy the hardsell," he says. "Here in Milwaukee, you have to try to build a relationship with lawn care customers. The lawn business has become so competitive that the lawn care customer is looking for expediency. It's service more than price."



Bill Whitmire

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Whitmire, from his suburban Milwaukee office of The Davey Company, has come a long way from his spraying days in Akron, Ohio. He's done it by knowing the customer.

"Even though people here are service-oriented, they're also extremely price-conscious. They like to buy a programmed service rather than a full annual service. A lot of them take only two or three applications a year."

Whitmire should know the customer. He spends 70 percent of his time selling Davey tree and lawn care services. That means talking to about 150 customers and prospective customers a month.

Different sales

"Lawn care is a different type of sale than tree care," he continues. "Usually, tree care sales are in more affluent economic areas—where people can afford to pay hundreds or even thousands of dollars for a major service."

When it comes to dealing with customers, Whitmire says those on the lawn care side are the more critical.

"Tree care is not as great a swing in the looks of the property as in

lawn care," he observes. "The (lawn care) consumer is oftentimes harder on our company. People have totally different expectations of what we can give them. Some want a total turnaround in environmental problems, and we can't do that.

"The problem is with the industry in general. The marketing approach has been too strong." Lawn care companies historically promise more than they can deliver just to make a sale, Whitmire contends.

"Davey's marketing thrust is to expound on the virtues of plant health care," he reveals. "That is, taking care of the property as a whole with a customized program." And, with both tree and lawn care services, Davey can do just that.

"We try to cover as many bases as we can with a client. Davey is one of the few companies in the country that can say 'we are an expert in both tree and lawn care' with conviction."

The best policy

Whitmire says that, in dealing with clients, honesty is the best policy.

"Most of the people that we're approaching now have been with other services. So most have come down the same road, especially in

the lawn care field. If we need to do seeding, or if a lawn needs to be replaced, we tell them. And we are realistic."

Getting customers isn't the only problem in the Milwaukee area. Coping with anti-pesticide activity is another very real problem.

Two years ago, the city banned the use of the herbicide glyphosate (Roundup) in its park system. More recently, the Milwaukee Metropolitan Sewerage District came under fire as the media searched for a relationship between Milorganite (which MMSD manufactures) and Lou Gehrig's Disease.

"The Roundup thing was union-based. But the Milorganite thing really scared me," relates Whitmire, a distraught look washing over him. "I know how far-fetched a correlation that was, but I also know how reactionary the public is."

Indeed. When 2,4-D was under indictment for possibly causing cancer, The Davey Company was one of the lawn care businesses that decided to ban it from the program. Not because of any evidence of its toxicity, more as a public relations move. All Davey branches have substituted Trimec 900.

"Control seems to take a little longer with Trimec," says Whitmire. "But you seem to get good control in two or two-and-a-half weeks. You just have to let the customer know."

Doing it right

The company slogan, expounded by company founder John Davey almost 100 years ago, is "do it right, or not at all." Reflecting that philosophy, Davey wires its branches—including the one in Milwaukee—into its national programs, one of which is employee training. "We're a seasonal business, but we don't like to hire seasonal employees," says Whitmire. That places a premium on training.

"Historically, all the Davey lawn people went to a technical institute in Kent, Ohio," he adds. "Now we've gone to sending people to horticultural-type training to give them a more broad-based background." People employed by Davey for two years are sent to the one-month-long Davey Institute of Tree Science. Also, the company's Research and Development department will supply, on request, a training videotape that covers the areas of safety, sales and lawn or tree care technology.

As Whitmire so succinctly states: "Basically, all Davey has is equipment and people, and we take care of them." **LM**



Bill Whitmire (center), who spends 70 percent of his time in sales, believes that honesty with customers is the best policy.