

# THE CUSTOMER AS KING

Today's saturated lawn care market demands that LCOs work harder to keep their customers happy.

by Will Perry, managing editor

Ring.  
Ring.  
Hello?  
Mr. Perry?  
Yes.

Good afternoon. This is John Smith from the ABC Lawn Care Company. How are you?

*Fine thanks. Yourself?*

I'm also fine thank you. The reason I'm calling is to check and see if you've noticed any improvement in the condition of your lawn. We completed our second application the other day and your grass should have a nice green color, except for the areas of crabgrass along the back fence. That area will be dying off about now.

*Well, as a matter of fact, the lawn has looked very nice this year.*

Great. I might suggest a light watering in the early evening sometime this week. It's been a while since we've seen some rain.

We'll be back to check on your lawn in a few weeks, but if you have any questions in the meantime, feel free to give us a call. Goodbye.

**I**f you're in the lawn care business and this conversation sounds at all absurd to you, chances are good that you're getting out-hustled for customers in your market area.

Industry analysts agree that the business of lawn care in America has reached a turning point in its history. Gone are the days of the endless customer base that LCOs have enjoyed for the past 20 years. In the 1990s, profitable companies will be those that are able to retain clients through improved communication while selling them additional services.

"The issue now for lawn care companies that are going to be successful is better service," said Rudd McGary,

**In the 1990s, the successful lawn care service companies will be those that remember the customer is king.**





senior consultant with All-Green Management Associates in Columbus, Ohio. "The progressive companies out there have started saying to their customers 'You're the most important part of our business.'"

McGary notes that since the late 1960s, the lawn care industry has followed traditional business cycles of rapid expansion, followed by market saturation, and eventual industry consolidation, which exists currently.

Today, more than twenty years after the industry's inception, there is little variation to be found in the technical offerings of competitors, notes McGary. As a result, company that makes the special effort to attract and

retain customers is likely to be more attractive—and profitable.

### Tapping potential revenue

McGary's estimate of the total revenue available in the lawn care industry in this country is between \$1.5 and \$2 billion. Since just 1983, chemical lawn care market revenue has grown from \$1.05 billion to \$1.5 billion, according to industry surveys. Likewise, membership in the industry's professional organization, the Professional Lawn Care Association of America (PLCAA), has grown from 31 companies in 1979 to more than 1,200 today (which includes the loss of about 30 firms due to consolidation in

1988.) Translated, that means LCOs have reached most of the potential customers available.

To remain profitable, LCOs have recognized the need to hold on to their present customers and sell them additional services, such as mowing and management, tree care and aeration.

Russell Frith, PLCAA president, notes that the "Back to Service" theme of this month's PLCAA convention this month reflects the importance of the issue.

"In the last couple years you can see a real change in the look of the lawn care market. A huge amount of capital has been poured in and the competitive nature of the industry has increased dramatically.

"The thinking used to be that you could always go out and get a new customer if you lost one that wasn't happy. That's no longer always the case," Frith notes.

Frith's company, Lawn Doctor, has grown steadily for several years and ranks among the top revenue-earning lawn care companies in the country with annual sales of more than \$31 million. The company has a policy of making sales calls to customers within 48 hours of a visit.

"Each company has to deal with the issue of customer retention in its own way," says Frith. "This is one of our ways."

### Better employee training

The Davey Tree Expert Company of Kent, Ohio, with annual revenue of more than \$5 million, has placed increased emphasis on customer communication in its employee training program.

"We want our people to treat each lawn as if it's the lawn of the president of the company," says Roger Funk, Ph.D., Davey's director of technical and human resources. "Then we want them to realize that it's not the president of the company that pays their salary. The average customer does."

Davey's "Customer Care" training program is a two-day affair for field employees that was conceived in 1986 and initiated this year. Its focus is to get employees to evaluate their performance through the eyes of the customer.

Davey's field employees are encouraged to attempt to talk directly with customers at the time of service. If no one is home, personalized literature is left at the door, including a stamped survey card. Also, employees are to check the environment for possible areas of complaint.

Funk adds that a toll-free number





for customers is also under consideration.

"As we looked back on 75 years as a company, we found that customer care was indeed the direction we should be headed in," says Funk. The company is currently designing an "Employee Care" program for its management personnel. It will be designed to attract, train and develop the type of caring employees it desires.

"After all," says Funk, "you can't have one without the other."

Mike Turner, operator of Cleveland-based Custom Lawns, uses a quarterly newsletter featuring articles on varied topics such as gardening and mower maintenance in addition to post-application telephone service calls. In addition, since a vast majority of his customers are within 20 to 30 miles of the home office, his employees will stop to evaluate the lawn condition of nearby customers while on the road. They always leave at least a personalized note behind that lets the customer know they were there.

These free visits cost Turner about 10 man-hours a week and have become an effective public relations tool.

"What we're doing now is going out between applications and taking a look around. We're making decisions about the success of the mate-



**Consultant Larry Kokkelenberg says that treating a customer well is the most important element in a service-oriented business.**

rials we're working with, trying to spot potential problems and offering additional services or suggestions. The company that doesn't go out and do these things is the one that's going to be in trouble."

#### **Ignorance is expensive**

In addition to a rising or falling revenue and customer base, there are other factors to consider when evaluating your relationship with your customers. Specifically, it's impor-

tant to read into those numbers for a more complete picture of where your company may be headed, says industry consultant Larry Kokkelenberg.

Kokkelenberg is president of the Center for Business Development, a consulting firm that has worked with LCOs for more than seven years. He believes that a company's attitude toward its customers is the single most important factor in the success of a service-oriented business.

Kokkelenberg notes that for every customer complaint you receive there are 26 other customers with the same complaint you won't hear from. Sixty-five to 95 percent of those will not do business with you again. Also, the person with a complaint is likely to tell nine or 10 others of their misfortune, while 13 percent of those will tell more than 20 people. However, 95 percent of customer complaints can be rectified if you act quickly and courteously.

A competitive lawncare company today can no longer tolerate an average annual customer turnover rate between 16 and 22 percent, he says.

"There is greater awareness today that it's a lot more expensive to gain new customers than to retain the ones you have," concludes Kokkelenberg. **LM**

## **'IT WORKS FOR ME'**

When Senske Lawn and Tree Care reached a slow growth period three years ago, owner Chris Senske gave it a booster shot by increasing emphasis on communicating with the customer. Today he operates three branches in Washington, enjoys an annual growth rate of 30 percent and revenue of more than \$2.5 million.

"We had reached a plateau," notes Senske. "I wasn't happy with how the company was going and felt there was something we needed to do to make a change."

Senske hired a consulting firm to coordinate a two-day training seminar that is taken by all his field service representatives prior to the spring season. "The major thrust of it is to train them to be confident in their abilities to communicate with the customer," says Senske. His employees learn the reasons why people want a lawn care service, what customers want to hear, how to use the proper tone of voice in conversation

and how to give a firm handshake, among other things.

"For the new employee, this seminar is awesome," says Senske. "They think, 'Oh my god, this really is a professional organization.' For the returning employee it's a good refresher course that reminds them who pays their salary."

In addition, Senske has 16 employees manning the telephones to drum up new business and contact present customers four to six weeks after their second or third application. "We're calling to see if we can get them to complain before they complain," explains Senske. He says that about 10 percent of his customers have concerns that require attention.

These steps are part of a whole package of things designed to improve the company's image in the eyes of its customers, Senske says. How an employee answers or speaks on the phone, how easy it is for the customer to understand and



**Chris Senske**

pay their bill, and providing sufficient notification of when you have or will visit a customer's home are all examples of everyday business aspects that can be used to your advantage. —Will Perry