

# DOUBLE YOUR MONEY:

# LAND\$CAPE

**R**apid growth for the landscape industry will continue into the next decade. Opportunities exist for the industry to double in the next three years or sooner. Being able to secure some of this available business will mean that you need to develop your management to take advantage of the growth.

What is the outlook for 1990? Is this an industry where diversifying companies are likely to expand? Will it be an industry where new companies can find an opportunity? What will happen to the quality of service as the industry expands?

## Residential, commercial

Residential occupants are getting tired of spending time maintaining their properties externally. In addition, residential customers of chemical lawn care companies are starting to consider outside contractors to perform the rest of their landscape services. These non-commercial customers are realizing that, if they are to have multiple property services performed on their landscape, it can be cheaper and more effective to have

Our intrepid business expert peeks into his crystal ball and sees up to 40 percent—that's right, 40 percent!—growth in the landscape market within the next year.

by Ed Wandtke

only one service company.

In the commercial sector, companies that had been maintaining their own property are starting to turn to professional service companies. This is happening because of expanding pesticide regulations. Companies do not want to worry about liability issues derived from applying pesticides. Also, many businessmen believe that an outside landscape company can do the job better and cheaper.

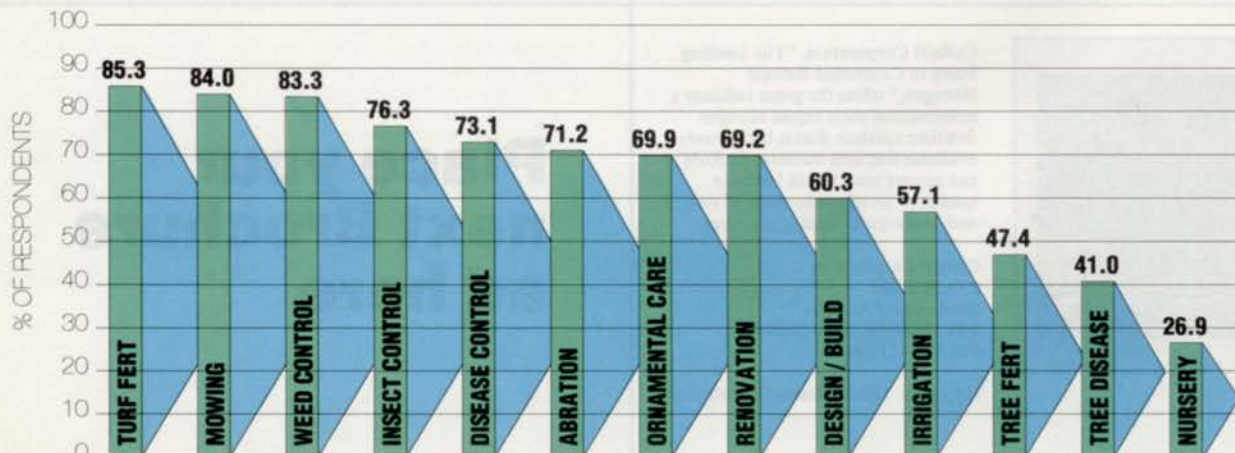
Increased growth, then, will come from first-time customers and more residential and commercial customers seeking outside professional landscape services. A 25 to 40 percent

growth in the entire landscape services market over 1989 levels is not out of the question.

## New entries

With this growth will come many new companies. If 1989 is an indicator of the potential quantity of new companies in the industry, most markets could double in size. While many of these new companies often tend to lower prices for a while, most go out of business if they are not providing the service above cost. For most U.S. markets, the failure rate of these new companies is often more than 50 percent. These companies often do not fail because of under-capitalization

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but rather because of management incompetence.

Seeing an opportunity in the landscape industry will not assure a start-up company that it will make it. As a matter of fact, customers will cancel landscape services because they failed to provide on a timely basis the only item they are selling—"service." Like many industries, landscaping allows a company the opportunity to self-destruct because it took on more work than it could reasonably expect to service.

Since there is no licensing requirement to provide landscape services, there is no effective method to police the industry. This may change in the future, but for now there are almost no barriers to any individual wishing to enter the landscape industry.

Many companies currently

providing some lawn care or tree services are starting to look at expanding into landscape maintenance. ChemLawn and Tru-Green, for instance, are testing the possibility of offering landscape maintenance services. And their tests will probably tell them there is an opportunity to enter this lucrative market because it is not now being fully serviced. In addition, with chemical lawn care industry's slowdown during the past three years, many companies have diversified into the landscape or tree service industries because of their larger untapped market segments.

#### **Quality control**

As the number of new service providers continues to expand, it will become important to somehow establish a determination of service qual-

ity. In professions like plumbing or electricity, there is a formal training sequence needed to acquire enough knowledge to perform the work. At the end of the formal training program, the individual is then licensed as a master electrician or plumber.

Such a system needs to be developed for the professional landscaper if there ever is to be some assurance—on a state, regional or national basis—that landscapers are truly "professional" and command the fees of a professional.

Quality control in the landscape industry is a very subjective notion. Even within a company, the level of quality provided customers differs significantly. If your company does not have written standards of appearance together with pictures of what the standards mean on a property, 1990 is definitely the year that you

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should put such a quality control system in place. If you do not, you will learn of customers' dissatisfaction with your quality when they cancel or do not renew a contract.

## New offerings

For many years, landscape maintenance has meant mowing, edging and cleaning sidewalks and driveways. Today, consumers are asking their landscapers to do more:

- vacuum parking lots,

- aerate lawns,
- mulch decorative beds,
- provide vegetation control in beds,
- design and install flowering enhancement to their properties,
- prune small shrubs and trees under 20 feet,
- renovate part of a lawn that has been damaged,
- install and maintain irrigation systems, or
- re-do plant material that has become overgrown or just needs a new look.

Opportunities continuing to expand, and often are limited only by you not realizing that you could be providing the service.

So make a point of examining the opportunities and evaluating your

abilities to effectively deliver the services.

## Beyond 1990

As new equipment continues to be developed, man and equipment will be more efficiently mixed to service customers. Today there is entirely too much labor needed to service landscape properties. That will need to change. In the future, property owners might ask you to design the property service, and then to provide those services. A standard of property management service for commercial sites might be developed on a national basis with individuals modifying the standard based on their budget.

Start looking at what property management associations are asking for, and work with them.



# GOVERNMENT: PLAYING ENVIRONMENTALIST

Landscapers in the public sector have a lot to gain by educating the public on the importance of their work.

by Will Perry, managing editor

In many respects, landscapers in the 1980s never had it so good.

In this decade, the green industry has seen an avalanche of new and improved products that kept the lid on labor costs and bolstered the bottom line.

Two-cylinder, air-cooled engines; front-deck, hydrostatic mowers and the inventive use of hydraulics has made good turf equipment even better. And that equipment now borders on greatness, as manufacturers put more emphasis on operator-friendliness. More comfortable seats, better maneuverability, and improved speed and visibility continues to have a favorable, if immeasurable, impact on employees.

Chemicals too, have allowed landscapers to manage acreage that in the past would have been too substantial for today's smaller crews. The specificity of today's herbicides and

pesticides allow landscapers to better pinpoint targets, reducing rates while improving efficacy. Biologicals and integrated pest management (IPM) are making their presence felt as well.

## Chemophobia's future

So what do landscape managers in the government sector have to worry about? Well, how about "chemophobia" or today's tax rollback climate?

"To be honest I don't think the future is too bright," says Allan Shulder, executive director of the Professional Grounds Management Society. Shulder says popular citizen movements to hold the line or reduce taxes (such as Proposition 19 in California) are a threat to government sector landscapers, since landscape management is too often regarded as an expendable municipal program.

"We're usually the first to go," says

Shulder. "I can't explain why that's the case, but it is. Right now, the climate in this country is to hold the line on taxes or cut them back. I'm not opposed to that personally, but when that happens our services are cut."

Other landscapers, particularly those caring for universities or school districts, are more optimistic. Jack Coffman, of Margaretta Local Schools, Ohio, says school board members today are more aware of the importance of well-landscaped building exteriors. "I've been getting real positive feedback for what I've done here," says Coffman. "The board realizes that only about 30 percent of the voters in this town have kids in the schools. The other 70 percent make up their minds about the quality of the schools by other means. By seeing well landscaped buildings they develop positive feelings about the school system."