



THE MILLION DOLLAR MOWERS

Mowing/management companies in 1989 marketed smarter, survived heavy rains, and became more influenced by political issues. The challenge now is to capitalize on whatever the '90s have to offer.

by Terry McIver, associate editor

As the 1980s ended, U.S. mowing companies faced an interesting array of challenges: there were buckets of rain for some, increased legislation and economic uncertainty for others. But the true challenge these companies faced was to deal with adversity and still keep business profitable.

In interviews conducted for our survey of "Million Dollar Mowers," companies related some of the obstacles they faced in 1989, how they worked smarter and what they plan for the year ahead.

Proceed with caution

Businesses in states with poorer economies are cautious and on the defensive, but still try to gain more customers with added services.

Robert Mann of Hunt & Hulteen, Brockton, Mass., says the company is trying to be more "prudent," especially considering the condition of Massachusetts' economy.

Mann reports the company has added an arborist to the staff to conduct pruning and spraying "on a full-blown professional level, rather than as a supplemental service." One of Hunt & Hulteen's marketing strategies includes offering shallow-well drilling to power irrigation systems. Mann says this involves drilling 60 or 70 feet to the water table to reach an adequate water source.

Mark Arrimour of Pennink-Ar-



rimour, Bryn-Anthyn, Pa. noticed a slowdown caused by a slower economy, and he notes the green industry's acute sensitivity to the slightest economic downturn.

"People are doing more renovation work instead of going out and buying new properties," explains Arrimour. "They're trying to use more of what they have due to budgets. When the economy slows down, landscaping is the first thing that gets nailed."

Arrimour says 1990 "will be a drastic change from 1989," relative to

customer loyalty and cost cutting. "We are on the high end of contractors (price-wise)," explains Arrimour. "Companies are saving dollars by going with someone who isn't as full-service. The site won't look great, but it won't look bad, so (companies will decide) to save the dollars."

More than mow


KT Enterprises, Alexandria, Va. is betting its customers will be attracted to the full-service concept.

President **Scott Plein** says, "Our emphasis in 1990 will be to integrate all of our landscape management services together to provide the best overall care for our client. We are a full-service company, from installation and management of irrigation systems to landscape design/build as well as lawn care. We are marketing all services to our main clients, which are our landscape maintenance cli-

ents."

Another marketing-influenced restructuring was undertaken in 1989 by Lancaster Landscapes, Arlington, Va.

Brent Mayberry, vice president and chief operating officer, says the company reorganized in order to branch out into new markets, and to prepare for growth in the '90s. Problems cited by Mayberry were also the tremendous amount of rain. "We cut more grass than we ever would, for a longer time than ever in the past,"



recalls Mayberry. "It (1989) was also a tough year for grounds maintenance, with more disease and insect problems."

According to Mayberry, some residential-based irrigation companies in the Arlington area went out of business due to too much rain. "If it's not hot and dry," says Mayberry, "people aren't thinking about irrigation." Irrigation companies with more commercial clients remained busy, however. According to Mayberry, commercial sites install irrigation systems as a matter of course; if they need the water, it will be there.

On the rebound

The economy of Houston, Texas has long been upset by the decline in that state's oil industry. But for Environmental Landscape Services, things are on the upswing.

"For the first time in a while, I feel good about business in our part of the world," says company president **Charlie Racusin**. "We're headed in a good direction. I feel comfortable and enthused, and have nothing but good to tell you. The opportunity for growth in past years was not as good as this year in Houston."

According to Racusin, profit margins are much more competitive than they were five or six years ago. "The people I'm selling to are also positive and not nitpicking as much."

Gregory Spencer of The Spencer Co., also located in Houston, believes the market size and desired quality of landscape management services continues to grow into the 1990s.

"In order for our industry to meet the challenge of the future," says Spencer, "it is imperative that we continue to train our personnel towards higher productivity and use the latest technology available to our industry."

"The recruitment, development and retention of experienced and educated employees at all levels of the company is a high priority for our industry."

Spencer, much like other landscape professionals, is aware of the continuing challenge the industry faces to find and retain a competent workforce.

The industry is aware of the problem, and fortunately, is doing something about it. The secret is to control events before they control you. Continues Spencer, "We compete not only within our industry for qualified personnel, but also with unrelated industries in the service sector. The quality

TALLYING UP THE TOTALS

The following companies responding to our "Million Dollar Mowers" survey reported more than \$1 million in mowing/management revenue in 1989.

1. **Environmental Care, Inc.**, Calabasas, CA—\$44 million.
2. **The Brickman Group**, Jenkintown, PA—\$19.3 million.
3. **Lancaster Landscapes, Inc.**, Arlington, VA—\$12.5 million.
4. **Shearon Environmental Design Co., Inc.**, Plymouth Meeting, PA—\$6 million.
5. **Cagwin & Dorward**, Novato, CA—\$5.2 million.
6. **Stiles Landscape Service Co.**, Pompano Beach, FL—\$5 million.
7. **AAA Lawn Industries**, Tucker, GA—\$4.9 million.
8. **Green Thumb Enterprises**, Sterling, VA—\$3.5 million.
9. **K.T. Enterprises**, Alexandria, VA—\$4 million.
- 9a. **Las Colinas Landscape**, Irving, Texas—\$4 million.
11. **California Landscape Maintenance, Inc.**, Canoga Park, CA—\$3.5 million.
12. **Heyser Landscaping**, Norristown, PA—\$3.3 million.
13. **Pampered Lawns, Inc.**, Houston, TX—\$2.9 million.
- 13a. **William Vandergeest Landscape Care**, Santa Ana, CA—\$2.9 million.
15. **Clarence Davids & Co.**, Blue Island, IL—\$2.8 million.
16. **Moore Landscapes, Inc.**, Glenview, IL—\$2.4 million.
18. **BGT Landscape Co., Inc.**, Mundelein, IL—\$2.2 million.
- 18a. **Lawn Ranger, Inc.**, Zionsville, IN—\$2.2 million.
19. **Greenleaves**, Chamblee, GA—\$2.1 million.
20. **American Landscape Maintenance**, Canoga Park, CA—\$2 million.
- 20a. **Landcare Industries**, Tampa, FL—\$2 million.
22. **Nanak's Landscaping of Orlando**, Altamonte Springs, FL—\$1.9 million.
23. **Pennink-Arrimour**, Bryn Athyn, PA—\$1.8 million.
- 23a. **Moon Landscaping**, Yardley, PA—\$1.8 million.
- 23b. **Ruppert Landscape Co.**, Aston, MD—\$1.8 million.
26. **Mainscape, Inc.**, Fishers, IN—\$1.7 million.
27. **Alfred L. Simpson & Co., Inc.**, Atlanta, GA—\$1.4 million.
- 27a. **Grounds Management and Landscaping**, Mitchelville, MD—\$1.4 million.
- 27b. **SKB Lawn Industries**, Clarkson, GA—\$1.4 million.
- 27c. **The Spencer Co.**, Houston, TX—\$1.4 million.
31. **The Bruce Co.**, Racine, WI—\$1.1 million.
- 31a. **Hunt & Hulteen, Inc.**, Brockton, MA—\$1.1 million.
- 31b. **Tecza Brothers, Inc.**, Elgin, IL—\$1.1 million.
34. **Earth Tone Development**, Houston, TX—\$1 million.

OVER \$1 MILLION, FIGURES NOT RELEASED:

Environmental Landscape Services, Inc., Houston, TX
KEI Enterprises, Cudahy, WI
Allen Keesen Landscape, Inc., Denver, CO
Minor's Lawn Care, Ft. Worth, TX
Northwest Landscape Industries, Tigard, OR
Proscape Co., Dallas, TX

of management, employee recognition, better benefits, company climate and opportunities for career growth are some of the factors which will have a bearing on the retention of good employees an increasingly scarce resource."

The labor question

Allan Curr says Wm. Vandergeest Landscape Care, Santa Ana, Calif., is

in the enviable position of having to turn down more work.

"We've reached a size where I feel quite comfortable. The most difficult thing is being polite enough to turn down a client without them thinking you're being snooty," notes Curr. "We're sort of staying where we are in size for until I train more personnel."

Curr says, however, that labor retention problems remain.



To retain a good labor force in the 1990s companies will have to pay much higher wages to keep people on board.

Lawn care services are often trimmed during economic downturns.

"The primary (cause) is the pay scale in this industry," explains Curr. "I'm not saying you get better people if you throw money out there, but it would help. Maintenance is not a high paying industry in California.

"In order for an employee to live

halfway decently in Southern California," says Curr, "and have more of an incentive for longer term commitment, first of all he needs more education and beginning base pay has to be around \$8 an hour."

What do "Million Dollar Mowers"

have in common? For some, success has been won through traditions of service excellence. Marketing skills, a dedicated work force and diversity of service to a large client base insures the success of others.

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"Successful companies will have to have a complete understanding of the total costs of the business and reasonable profits required to meet the needs of the marketplace" — Gregory Spencer

small companies must adopt or continue to practice is preparedness and adaptability.

What's the secret?

The weather surely can't be expected to cooperate. Politically-motivated legislators will continue to put up roadblocks, and the economy can change in a matter of days. The dual challenge is to manage, contribute to or be ready for the outcomes of the behind-the-scenes politicking while trying to run a profitable business.

Sensitivity to the issues and smart business practices will make the '90s a harmonious, safe and profitable decade.

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