

THE STATE OF THE INDUSTRY



Green industry professionals are dealing with five burdensome issues today: dwindling labor pools, high insurance costs, regulations, marketing and maintaining a professional image.

One are the days when the aspiring landscaper, grounds manager or golf course superintendent could rely entirely on his horticultural expertise to churn out beautiful landscapes. A new era in landscape management has begun, a business-based era where the bottom line is not wholly affected by the landscaper's appearance.

And so goes the facts of life for today's landscaper, according to the re-

sults of a recent industry poll conducted by the editors of *LANDSCAPE MANAGEMENT*.

"If you came out of school with a degree in ornamental horticulture, you're not prepared to be a businessman," notes Gerry Leider of Tropical Plant Renters, Riverwood, Ill. "All the personnel issues, government employee and pesticide regulations that you have to abide by have become a hell of a lot more complex."

Bill Russell of Chem-Turf Landscapes, Norcross, Ga., has a Ph.D. in agronomy, yet his company prospers because of his business acumen.

"You can be a whiz-kid as far as landscaping," Russell notes, "but if you don't run the business, you're going to fail."

Klaus Ahlers of Carlacio Landscape, Fullerton, Calif., who has a background in business administration, agrees: "Just understanding the different government programs that affect the landscape industry, you'd better have some kind of background in business."

Labor: where is it?

The Association of Landscape Contractor's 1989 "Crystal Ball Report" wrote that "firms face the problem of attracting formally-trained individuals who want to work from the bottom to the top and stay with the firm. Existing firms also encounter those individuals who go into business for themselves, and because of inexperience, become unfair competitors."

The industry's labor force is largely composed of 18- to 25-year-olds. That group is shrinking, however, a problem which requires immediate attention.

"The day of the \$4.50-an-hour laborer is over," says ALCA, "and we all better realize it. And the day of the 15 percent payroll costs is over, and we better recognize it."

The labor situation has, however, gotten better in some areas, like along the eastern seaboard.

"The construction trades have fallen off considerably," explains Mike Stewart of Control Environmental Services, Edison, N.J., "so there's a lot less building in this area. We get an overwhelming response from ads for laborers."

Stewart also does a good amount of recruiting from SUNY's Cobleskill college or other schools offering 2-year agriculture/recreational land management degrees. Notes William Heyser of Heyser Landscaping, Norristown, Pa.: "The labor shortage is no longer an issue. The economy has taken care of that."

Running out of gas

Gasoline prices—which started their skyrocket well into the growing season this year—have affected most landscapers, but probably none more than Russell's Chem-Turf.

"They've gone from .79 cents to \$1.25 a gallon here," notes Russell. "That's been a major glitch in our profit margins. If it gets to \$1.50 a gallon, you're talking double the original



Labor flux, insurance issues loom

If your workforce is fluid, and you're suffocating under oppressive insurance rates, one thing else is certain: you're not alone.

Robert Maronde, current president of the American Landscape Contractors Association (ALCA), predicts that stabilizing the workforce and managing insurance costs are "the top issues of the 1990s."

Maronde believes the labor pool is shrinking; what remains is ever-changing.

Maronde's term as ALCA president gives him a front-row seat at all landscape-related developments, and an opportunity to pass along what he's learned as president of Exotic Plant Rentals, South Elgin, Ill.

Maronde offers three solutions to stabilize the workforce and attract more people to landscaping:

- Higher wages;
- Fluid work hours;
- Innovative benefits, such as day-care subsidies for part-time workers not eligible for group health insurance.

"The prevailing wage rate across the United States is on par with McDonald's and Burger King," says Maronde. "Nobody can live on minimum wage."

Other landscapers in-the-know agree that to be competitive, wages must begin at \$7 to \$10 an hour.

Admittedly, landscaping is not a nine-to-five job. And then there's weekend work. Maronde thinks that to make the work more attractive, companies implement flex time, so workers avoid the hassle morning and evening rush hours. Alternating Saturday work might also help, and would take some schedule juggling, especially at companies with multiple offices.

To suppress volcanic insurance rates, Maronde says worker education programs must be widespread: in offices, greenhouses, warehouses, and in the field.

"We have to do more in-depth training," Maronde insists. "Workmen's compensation payments are going off the chart because of stupid accidents. The supervisor, manager, or company owner has not taken the time to review the proper way to handle machinery, equipment and hand tools."

Worker safety has long been a concern of ALCA. Its "Safety and Awareness" program contains everything a company needs to make its workers more aware of proper safety measures. It includes lessons in first aid, pesticide application and safe driving. "And it's economical," says Maronde. "All you need is a small TV and a VCR. Sit them down and show them." Regular safety reviews are a mandate at Exotic Plant Rentals.

When did you last review your customer base? Can you accurately describe your typical customer?

"A company owner must do a review (of his market) twice a year," insists Maronde. "Look at population growth or trends that influence your direct market. Otherwise, you won't be in business two to three years down the road."

Landscapers must pay attention to what may be a shifting market niche, as today, customer profiles are less defined.

"Marketing is a concept, an evaluation, an adjustment to trends that are happening within your grasp," explains, Maronde, who believes advertising is necessary to stay afloat. "If you sit there and don't advertise for a year," he says, "two years from now, nobody knows about you. You're a well kept secret. And you know what happens to a well-kept secret."

Top-flight landscapers perform quality work, but the public needs to know.

"You can win a ton of awards," says Maronde, "but that doesn't mean anything unless you utilize it and market your services. It's great to have all those plaques, but it's also great to have all those plaques in all the newspapers."

Marketing on this level is simple. It's done with an occasional press release to the business and garden sections of local papers. "And you don't have to be a large company to be able to afford it," insists Maronde. "There are a lot of marketing companies that would love to be able to spend four hours a week on your business, and put you three years ahead of yourself."

If you think your company has an image problem, look at the way your workers dress and the condition of the fleet.

Trucks must be bright and clean, insists Maronde. "They don't have to be new, just rust-free. And uniforms can't look like they were first worn in 1965." And: no jeans, no tennis shoes.

Maronde believes that landscape contractors are just as important to a job project as a building contractor; the mutual importance needs to be stressed. "Landscape contractors are not just the last guy to come in," he says. "We're part and parcel of the contracting trade."

Failure to comply with water and pesticide regulations could well put some companies out of business during the next few years. Stringent controls will continue, and the losers will be those who don't follow regulations and don't educate employees.

Maronde promises that the negligent companies will not be able to pass muster on facility inspections, and will fail when it comes to meeting insurance requirements. Quoth Maronde: "You must invest in yourself."

The emotionalism of the environmental movement will continue, albeit in waves. "The idea is to be able to ride through the storm and capitalize on it," advises Maronde. "Come up with a new or better product. Come up with a different way of handling the situation to make your customers better aware."

Landscape contracting and lawn maintenance is now a test of stewardship.

"If we can conserve water," suggests Maronde, "we cut down on water pollution. If we can filter the air, we can cut down on air pollution. There are ways to be pro-active. You can be part of the emotionalism, or part of the solution."

—Terry McIver □



Bob Maronde:
Emphasize worker safety and marketing.



price. That means that instead of paying \$2500 a month for gas, we'll be paying almost \$5000. And if you're locked into annual contracts like we are, you can't adjust the prices you charge until next year."

Competition is high

Stewart reports that competition in his neck of the woods is stiff. "In the past it was the land of plenty. For every construction job, we used to bid against five other companies. Now, it's about 40." More emphasis, too, is being put on full-service maintenance as the construction boom has faded.

To survive, he says, "you have to be good. Service and professionalism have to be stressed. It's going to keep separating the men from the boys."

To foster quality workmanship and responsibility within the ranks, landscapers must continue to promote from within their companies.

"If I have to hire a crew leader (from outside the company), then I've got a problem," says Mike Puckett, landscape construction manager at Fullcare, Inc., Louisville, Ky. "That means I can't keep good lead people."

Puckett thinks leadership is a quality most people have, "they just don't get the opportunity to develop it within themselves."

By hiring from within, Puckett follows a well-designed management blueprint.

"They know they have that opportunity," he says. "They want that responsibility; they want to upgrade themselves, they want to make more money. They can aspire to do that as opposed to just coming in, doing their work, and leaving. Every once in a while you'll get a guy who is not satisfied with that. He's restless. That's the person I'm looking for."

Wages must rise

ALCA says wages must begin in the \$7.50 to \$10 range, and Stewart agrees. He starts his laborers at about the \$7.50 level.

In addition to a good paycheck, Puckett believes that workers deserve "mental wages" everyday. "That means you compliment people," he explains. "You tell them what they're doing well. You give constructive criticism.



Stewart



Ahlers



Leider

"I owe it to the guys to let them know anything and everything that is a positive," Puckett says. "Many times people are motivated by money or self-respect. One thing everybody likes is to be complimented."

Insurance woes

Like many areas of the country, eastern Pennsylvania is experiencing an increase in the cost of Blue Cross/Blue Shield coverage next year. Coverage there will jump to \$560 per month per employee.

"There aren't many landscaping companies that can afford those rates," says Heyser. "Many companies, like us, are passing along some of the expenses to employees. We pay for so much coverage and then give the employee the option to purchase more."

Likewise out in California, where Ahlers says "you can't find a person who doesn't ask about insurance when you offer them a job" and in Illinois, where Leider notes that the health insurance prices are "ludicrous."

Attack of the low-bidders

Price undercutting by some companies is a grub in the turf of many landscapers.

Who are the low-bidders? Is "right-to-work" a valid concept? Not when it affects quality and, in the long run, the collective image of the industry.

Mark Yahn, president of Ground Control Landscaping, Orlando, Fla., says contractors must "learn to bid responsibly for their own financial well-being as well as that of the industry."

"It does little good to take premium jobs out of the market," explains Yahn, "if the final result is conflict with the owner and no profit; or, in some cases, red ink."

"A lot (of the undercutters) have been in business for a short time," notes Stewart, "and I don't think they know a lot about pricing." But he says he looks forward to that competition, because in the long run, the most professional and service-driven companies will survive.

According to a new report by the Center for Golf Course Management, golf course superintendents consider environmental safety to be an extremely important priority in maintaining their courses.

When asked to rank special areas of concern, superintendents surveyed said groundwater protection was their highest priority. Also mentioned as important aspects of management were:

- notifying the public of control

product applications,

- water-use restrictions and
- regulations on underground storage tanks and hazard communications.

John Schilling, executive director of GCSAA, believes the survey is strong evidence that superintendents are sensitive to environmental issues.

"The study shows clearly," says Schilling, "that golf course superintendents are very well-informed about our nation's environmental priorities."

Pat Jones, GCSAA director of communications, says that its certified superintendents are acquiring a new respect from environmentalists.

"In the past," recalls Jones, "the



Puckett

superintendent was cast in the role of the villain. That was frustrating for GCSAA members who are very much concerned about protecting the environment."

According to Jones, the golf superintendents' initiative has paid off. "We've heard from folks in the environmental movement," says Jones. "They see us in a better light. People are looking at golf courses as a way to set aside natural land, and keep wildlife in areas that it might otherwise have been driven out from."

Superintendents have also become more accepting of the integrated pest management (IPM) concept. "We're pleased that it's becoming a practice on golf courses, and not just a philosophy," says Jones. "The interesting thing about (IPM)," continues Jones, "is that for a long time people thought it was something that you could pull out of a box. It doesn't work that way. The person has to learn the basic principles of turf management, and then relearn them and apply them at his or her facility. That puts a lot of impetus on the manager to make it a priority." **LM**

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