

drop in profit," explains Hoopes. "So to equalize the \$8500 loss—from 30 percent to 21.5 percent—we need to raise prices 4.25 percent. All that means is \$1.75, which is not critical."

The downside risk is the chance that you won't sell as many customers. So do you raise the price or try to get it from elsewhere? "If you don't (raise prices)," warns Hoopes, "28 percent of profit flies out the window."

Hoopes also offers some good advice for telemarketing and direct mail programs.

"Target your marketing, make sure it's specifically detailed, and keep a history of what you do and all results," he says. "As the year goes by, target what you do so you spend advertising and marketing dollars only when you believe it will bring a good return."

Hoopes made his remarks at the Green Industry Expo in Tampa, Fla.

—Terry McIver

### Direct costs (as percent of sales) and annual increase assumptions

Labor .....	25% (6% increase each year)
Product cost .....	20% (5% increase each year)
Vehicle costs .....	15% (5% increase each year)
Selling/administrative costs .....	25% (4% increase)

Labor .....	\$50,000.
Product cost .....	\$40,000.
Vehicle costs .....	\$30,000.
Total sales costs .....	\$120,000. (60% of sales)
Gross profit .....	\$80,000. (40% of sales)
Sales/admin .....	\$50,000. (25% of sales)
Before tax profit .....	\$30,000. (15% of sales)

### Cost increase assumptions:

Labor .....	(up 6% or \$3,000).....	\$53,000. (26.5% of sales)
Product.....	(up 5% or \$2,000).....	\$42,000. (21% of sales revenue)
Vehicles ...	(up 5% or \$3,000).....	\$31,500. (15.75% of sales)
Total sales costs .....		\$126,500. (63.25% of sales)

## Independent go-getter finds new profit centers

### If it's not a nursery, it's a community composting facility for this Kansas City entrepreneur.

■ John Cazzell, one of the industry's original lawn care operators, found a new way to make money.

How's that? He opened a garden center.

In September, 1990, Cazzell—owner of Four Seasons Lawn & Landscaping in Kansas City—opened a seven-acre garden center that was immediately profitable, enabling him to cope with the slowdown in business precipitated by the economic recession.

"I saw it as an opportunity to add to the services we had already offered," says Cazzell, who started out in lawn care back in 1977 as a part-timer while working with Norfolk & Western Railroad.

"Margins are narrower than they've ever been," observes Cazzell, pointing to increased fuel costs, increased machinery costs and the recession. Yet the nursery center has shouldered some of the burden of the economic times.

The nursery sold \$30,000 of materials

in its formative months, with virtually no start-up costs. (Of course, Four Seasons already owned the acreage adjacent to I-29 in a high-visibility area north of K.C.)

The Four Seasons Nursery Center sells Heartland storage barns for a 10 percent commission. The barns, set out next to the highway, "turn the eye," Cazzell contends.

"We have distribution rights on paving brick and walls, patio stones and so on," he says. "I think it's the thing of the future." Four Seasons handles 38 different types and colors of paving bricks.

Cazzell is always looking for a way to increase profitability. Next order of business might be a composting facility. He is on the Kansas City Waste Minimization Commission. Since a state law dictates that landfills not take landscape debris, starting this year, Cazzell has opened up part of his garden center land as a debris "re-cycling" center.

"We want to serve as a disposal drop-off point for the homeowner or small (three acres or less) commercial business," he notes.



Nursery manager Linda Mills helps build a profit center for Four Seasons owner John Cazzell.

He plans to disc and till the debris into the soil with a farm tractor and re-sell the matter as topsoil. "One cubic yard of soil becomes two or two-and-a-half cubic yards of rich topsoil," he contends. What's more, he's working on a possible plan to lease more land through the city (for \$1 an acre) and use it as composting fields.

Do all these projects mean he's busy? You bet.

"Anybody can buy a mower and go mow an industrial complex and make \$300," he says. "But what he does with the \$300 is the key."

That philosophy and work ethic has helped Four Seasons grow from a \$15,000-a-year odd job to a \$1.2 million business last year. That, and John Cazzell's ability to see the future.

—Jerry Roche