

To plow or not to plow...

...that is the question.

Whether 'tis nobler to just forget the whole thing, or to try to generate cash flow during the cold, wet, boring winter months.

by Ed Wandtke

■ Snow plowing: either you like it for the money it generates during the off-season, or you hate it for all the troubles it creates.

Having snow plowing accounts means being able to keep your summer employees—at least some of them—on the payroll throughout the year. But you've also got to make an extra effort to keep them happy; who in their right mind likes to be awakened by a telephone call from their boss at 2 a.m. telling them to report to work?



Market opportunity—How is the market opportunity for contracted snow removal services in your city? How many of your customers contract for snow services in the winter?

Today we see many customers *requiring* that the lawn care contractor provide winter snow removal services.

For some lawn care companies, this can pose a real problem. Do you have the equipment needed? Are the service expectations clearly defined? (See sidebar.) How many snow plowing contracts do you already have?

What services—Many lawn companies try to offer more snow services than they can deliver. This often causes the contractor to incur high maintenance costs, have high driver fatigue resulting in property damage or accidents, or over-commit early deadlines to too many customers.

In choosing the services you can offer, you need to determine answers to these questions:

- 1) What snow moving equipment do I have?
- 2) How many qualified operators do I have access to?
- 3) What timeline do my customers demand for snow removal?
- 4) What type of backup equipment does my company have for major storms?
- 5) Considering typical snow conditions, to what geographical area should I provide these services?
- 6) How much money is needed to make snow plowing a profitable business?

The right mix—Performing all the snow removal services is not necessary for most lawn care companies, which often do not have the full range of equipment or manpower needed. A more profitable method is to hire subcontractors with specialized equipment.

Many lawn care companies can make money by performing light plowing, salting, snow blowing and limited hand shoveling themselves. When heavier equipment is needed, subcontractors should be factored into the contract—at rates allowing some profit for you.

Three dilemmas—I often see green industry companies making promises to customers that they cannot keep. These companies have over-extended themselves, and could lose those valuable customers.

It is better to limit your winter services, or to advise clients before possible delays. The uncertainties of the weather, driving conditions, human fatigue, and state-of-emergency rules all may have an impact on your ability to deliver the promised services. Make sure your customer understands this when you sign a contract.

Also, many lawn care companies do not have the necessary equipment to deal with unusually heavy snowfalls. So knowing the true limits of your equipment will make it easier to determine the necessary backup procedures. Heavy snow, ice storms, sudden temperature swings—all can lead to unexpected snow servicing requirements.

Writing a snow plowing contract

■ “There are 10 different ways to set up a contract,” says Thomas Mann of The Caretakers in Eagen, Minn. “There’s a monthly rate as soon as the snow comes, a yearly rate, a yearly rate with a minimum, an hourly rate, and so on.”

One of the major obstacles to providing profitable snow plowing services is the contract. If not done correctly, it could mean a lot of headaches and perhaps some legal tussles.

James Zellen, counsel for the Metro Detroit Landscape Association, recommends including these provisos in your contract:

- 1) Price per season with dates to begin and end season clearly delineated.
- 2) Minimum snowfall required to commence plowing; any additional charges over a maximum depth or drifts.
- 3) Make sure areas are described by sketch and/or monuments, and areas not covered by the contract are also delineated.
- 4) Note any extra costs for extra equipment like front-end loaders and dump trucks.
- 5) Make sure any extra plowings per snowfall are charged extra. And, by initialing, make sure customer agrees.
- 6) Make sure the contract contains language for salting. “It may take some salesmanship on your part,” notes Zellen, “but convince the customer that salt and/or chemicals should be applied at your discretion rather than when called by the customer.”
- 7) Make sure the customer will hold you harmless for any liability for trespass due to their neglect.
- 8) Make sure a disclaimer clause to this effect is included: “*The customer agrees to hold you harmless for any and all liability due to slips and falls on his or her property.*”

Finally, many experienced lawn care companies sign subcontract arrangements with heavy-duty equipment operators before the season starts in order to assure themselves of priority when the equipment is needed. This is an excellent method of protecting yourself from customer complaints.

Despite the above, snow servicing can be profitable if you know the customers’ requirements and expectations, what services you can realistically deliver, and how much work will need to be subcontracted.