



'You've got to be different and sell the sizzle,' says Jerry Moland of Turfscape Landscape Corp.

# Born-again business

*Cut loose from corporate America in the mid-1980s, Jerry Moland learned to sell 'the sizzle' and built a million dollar landscape maintenance company in Phoenix*

by JERRY ROCHE / Editor-in-Chief

**I**t's been a long and—at times—dark journey, but Jerry Moland, owner of Turfscape Landscape Corp. in Phoenix sees a light at the end of the tunnel.

"Nineteen ninety-five was our most successful year," says Moland. "We took eight years to hit \$1 million. We wished we would've hit it sooner, but about two years ago we had to back off and re-organize because we just weren't making any money."

It's no wonder. When Moland established the new company in 1986, he was changing careers and didn't know diddly-doo about lawn care. He was 50 years old at the time and licking his wounds from being cut loose by a large marketing company.

"After seeing we had to start over, I spent a few months laying on my back feeling like it was all over," Moland remembers. "Well, that's just not the way to do it. The American dream still exists, but you've got to make it work yourself."

His knowledge of marketing has, at times, been an

asset to his lawn care company. At other times, he's not had the opportunity to use all that knowledge.

"I truly recommend that people research their market," he notes. "At the time we were coming into this industry, though, we didn't. Sure, I knew better—but we didn't have many options."

Moland always uses "we" when referring to the company—not the royal "we" but the happily-married "we." His long-time wife Maxine is "the book-keeper and the brains of the company," which now employs 40 people and mows more than 3 million square feet of turf per week.

Turfscape was originally 100 percent residential maintenance. But because of changes in marketing strategy over the years, it has evolved into 60 percent commercial maintenance (mostly multiple-residence properties), 15 percent residential maintenance, and 15 percent construction and "extras."

Turfscape's number one marketing message is curb appeal.

"You've got to be different and sell the sizzle," Moland observes. "We sell curb appeal, and even in the real estate crunch three years ago we did okay. We told clients they'd have lower vacancy with curb appeal than without it. We know traffic is higher on our properties than others."

One of the positive aspects of using this strategy is that Turfscape normally works with more property

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## No drugs, fewer bugs

Jerry Moland says that his drug-free policy saves Turfscape Landscape Corp. more than \$50,000 per year. Productivity is up, and the firm has greater revenues with fewer employees to share the profits. Also, the quality of work has improved, resulting in better customer retention and referrals.

"Our labor costs have always run high, but we found that solving the drug problem was the largest step we had to take to get labor costs down," Moland observes. "We're now doing 2 1/2 times the volume with only one-third more workforce."

Moland first tried pre-employment testing to weed out drug abusers. It didn't work.

"It didn't do a thing," he notes. "These kids are street-wise, and they know when they have to be clean."

Problems had originally surfaced when an irrigation worker submitted to a drug test and tested positive for marijuana, cocaine and amphetamines. Moland was also informed of occasional on-the-job marijuana smoking by some employees. Clearly, the failed drug test was not an isolated incident.

Moland contracted a drug testing firm, which provided a consultant to assist in drafting a written policy. He then called a general meeting to explain the policy and announce that it would go into effect after a six-week waiting period. The drug testing program would include pre-employment screening, and random and for-cause drug and alcohol tests.

Moland offered his employees a one-time opportunity to enter treatment at Turfscape's expense. He recommended that abusers use this waiting period to clean up or find another job. Over the next six weeks, Moland lost one-third of his workforce.

He likes to think his workers are loyal because of "our discipline and our 'tough

managers than homeowners. Since property managers demand that bidders carry unemployment compensation and Social Security, "low-ball" landscapers (which can normally offer prices 35 percent less than Turfscape) are left out in the cold.

"It's so nice to hear, 'We know you cost more, but it's the kind of service we have to have,'" says Maxine.

### Problems...solutions

The biggest problem at first—Moland being fairly new to the lawn/landscape industry—was pricing. It took years to get it right, he says.

"We finally had to accept the fact that we can't have good quality and bid the lowest price."

There were also cash flow problems when the company had to spring for new equipment. But those were minor compared to another problem.

"I didn't have a fix on our labor costs," Moland admits. "Landscaping is very labor-intensive. I cannot get below about 40 percent labor costs here. It blew my mind."

Maxine adds: "Someone who doesn't understand the service business and looks

love.' Our best source of labor is our crew—when they tell their friends."

The improved quality of employees has also made things easier on the equipment. It lasts longer as a result of better care, reducing both maintenance and replacement costs. In fact, the four years following the initiation of drug testing, Turfscape has had no vehicular accidents. A similar reduction in industrial accidents has netted Turfscape a discount on workers' compensation costs. Because of the program's success, Moland was able to negotiate a 10 percent discount on general liability insurance.

Employee performance has improved as well. Tardiness and absenteeism are no longer a problem, and employee morale and attitude are exceptional.

"If I couldn't have my drug-free workplace program," says Moland, "I'd just lock up my doors and go out of business." □

at our profit-and-loss statement says our labor is all out of whack."

Lowest hourly rate offered by Turf-Care is \$5. After 90 days, the pay is \$5.50. Any non-English-speaking employees who study English as a second language get 50 cents per hour extra. Any employee who gets a driver's license receives another 50 cents per hour extra.

"We have a pretty good labor pool when we need it," Moland observes, "except for highly-skilled workers. We've got tons and tons of California license tags here in Phoenix. But that's unskilled labor."

Thankfully, customer turnover has not been high.

"Coming from a sales background, customer relations have not been a problem," Moland says. "Ninety-nine percent of the time, the nastiest property manager knows enough about landscaping to understand our point of view."

"It's also important for us to have foremen who have something from the neck up. My foremen are with the clients at least once every two weeks. If the customer has a complaint, we take care of it and don't let it fester. Having an on-site gardener in this kind of situation really saves you."

### Volume counts

Two of the most important lessons Moland has learned in the past eight years:

1) "If you tell someone you're going to do something, you have to do it. The small landscapers' only asset is integrity."

2) Volume counts.

"Our magic dollar number is around \$70,000 a month. That's mowing a lot of grass, but that's when we start to make money."

He foresees Turfscape getting even larger, judging by the amount of growth in the Phoenix/Chandler area.

"But right now, I'm happiest that all of our growth is coming from our current customer base," says Moland.

Then it's time to enjoy some of the fruits of the couple's efforts

"Our goal is to position Turfscape so we can start taking some four-day weekends by summer," he sighs. □