

# Define your niche in tree service market

*Read how these successful tree service companies use specialized equipment, like chippers, profitably.*

By RICHARD A. YACH

**I**n the competitive tree industry all tree service contractors are driven to lower their operating costs.

This is a day-to-day management issue, one faced by owners every time a job is bid,

have purchased only the equipment that they use efficiently. By serving only a chosen market segment, they have not added certain pieces of equipment to their fleet that they feel would sit idle too much of the time.

#### **All things to all people?**

Wright Tree Care of Clive, Iowa, has been in business since 1933, and is reported to be the largest and premier tree service company in the metropolitan area. Their parent company, Wright Tree Service, chose to focus on large multistate line clearing for the utility industry in 1986, and Wright Tree

Care, headed by Linda Wright, geared its service to the residential and commercial markets in 1993.

Wright Tree Care, in a short amount of time, has consolidated a customer base of more than 2,500 customers, providing a range of services including tree diagnosis, insect control and landscape consulting along with the yard maintenance services of lawn care and tree trimming.

But even though Wright offers a variety of services, the company does not want to be all things to all tree customers. By making market-defining choices, it is able to maximize its equipment usage.

"Although it may not sound like it, we have limited the range of services we provide," says Linda Wright. "For example, we do not go looking for land clearing, total tree removal or stump cutting business. We do own a small stump cutter so that if a customer requests it, we have a unit that will get

through the backyard gates to get to a stump that needs removal, but we don't consider that to be a normal part of our business. We've found that for an entire large-tree removal job, some companies have to send six or seven men, and three trucks to the site: one to haul the chipper, one to haul the stump cutter and one log loader with a crane. Not only will



Kramer uses a crane to access tree work in locations where target and damage concerns are high.

every time a crew is sent on site, every time a chipper and chip truck leave the yard. Is there any way to manage equipment use, maintenance and purchases to keep overall operating costs in line in the face of rising labor costs, taxes and insurance, and diminishing profits?

Some tree service companies have carefully defined the market they want to serve and by doing so



two of the three trucks sit idle most of the day, but the stump cutter sits idle a good share of the time as well. For this reason, we prefer to subcontract out any crane work and stump cutter work. This way, we can concentrate on tree trimming and get 500 to 700 hours a year out of each of our five brush chippers."

Joe Kramer, owner of Kramer Tree Specialists, Inc., West Chicago, IL, services 4,400 residential, commercial and municipal customers in the western suburbs of Chicago. He meets a

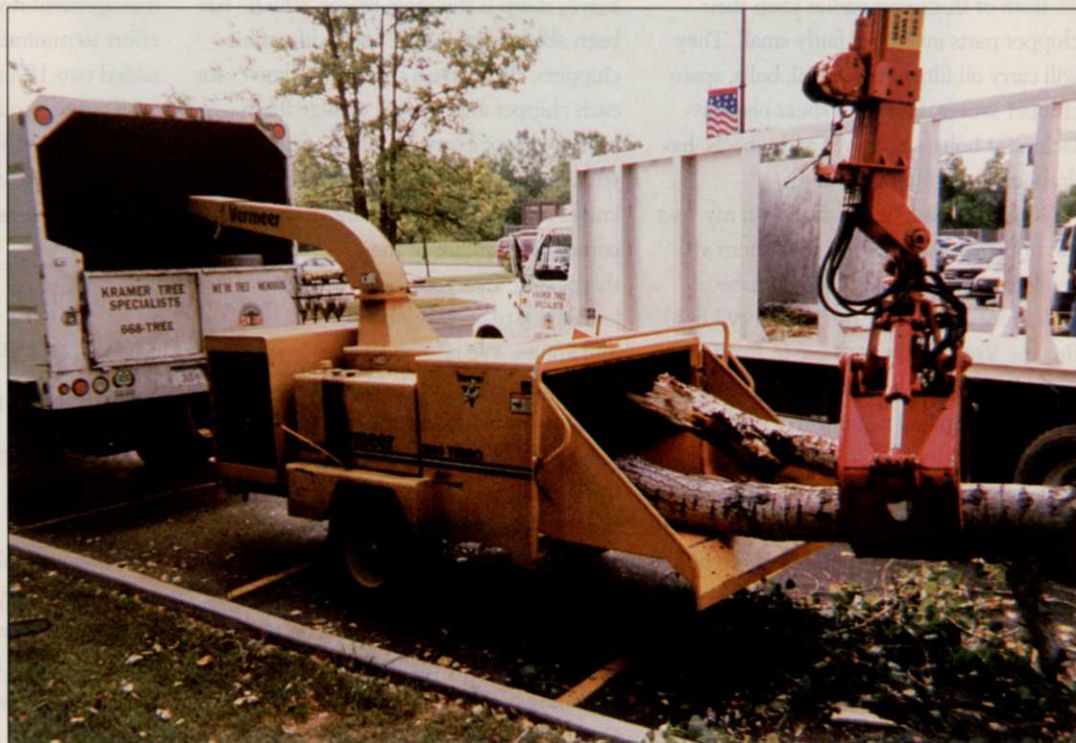
broad range of tree-service needs, working hard to maximize the use of his tree-trimming and grinding fleet that includes four brush chippers, two aerial trucks, four chip trucks, a tub grinder, a crane and two log-loading grapple trucks.

In business since 1974, Kramer brings a no-nonsense management philosophy to his business. "I try to integrate the use of all of my chipping and grinding machines in an effort to minimize two major cost areas," he says. "I try to minimize labor time handling logs, and the cost and maintenance of log loaders.

"I have had to make a conscious decision to stay out of markets where I would not be cost competitive," adds Kramer. "Given the equipment that I have available, I have calculated that I can be competitive on some small three- to four-acre land-clearing jobs, but not in larger land clearing where people who aggressively pursue that business have the equipment suited for handling bigger material."

#### **Practice preventive maintenance**

Both Wright Tree Care and Kramer Tree Specialists make a concerted effort in training their crews to take every step possible to extend the life of their brush chippers. They can only plan on a use-



ful life of 10 years for a 12-inch chipper and thus keep their machine costs down over the useful life of the chipper—if their foremen and operators pay close attention, without fail, to daily maintenance.

Rick Hanson, general foreman for Wright Tree Care, also serves as equipment manager. He places a lot of responsibility for daily maintenance on the shoulders of his crew foremen. "When I visit a work site, I can tell in an instant if the brush chipper has not received its proper daily greasing," states Hanson. "I have chipped a lot of brush, and I know that checking the hydraulic fluid level, greasing the cutter wheel on these disc chippers, checking the oil, checking the air cleaner restriction indicator and checking the belts are absolutely essential. It may sound corny, but if we are good to these chippers, they will be good to us. We know that keeping these brush chippers up and running is the only way to remain profitable."

Wright Tree Care goes so far as to wash the brush chippers on a regular basis—something you might not ordinarily expect from a tree care firm. As Linda Wright puts it, "washing chippers may seem unnecessary, but we do it for two reasons. Not only have we found that our employees will take better

**A larger capacity chipper reduces the time required for a crew to handle logs on-site. A grapple eases handling and increases productivity.**



care of cleaner machines, but the job foreman can spot a hydraulic hose leak a lot faster and prevent costly breakdowns."

Both of these companies keep their chipper parts inventory fairly small. They will carry oil filters, engine oil, belts, spare chipper knives, knife and shear blade attachment bolts, spare tires and wheels, hydraulic oil and hydraulic hoses.

Kramer states, "If the dealers in my area did not stock parts, or if it took them a week to get something, I would have to look more carefully at the inventory I hold. But the Vermeer dealer I use in Aurora has everything plus the expertise to get my equipment up and running in a matter of hours. I consider that an efficient use of my resources and theirs."

#### **Sharp knives speed trimming**

The most important maintenance task that a tree service firm can do to lower equipment costs and get the most useful life possible out of a chipper is to keep chipper knives sharp on its disc chippers. There is nothing that will slow up a trimming operation faster and create more engine problems than dull knives. They are the number one cause of reduced lifetime for brush chippers.

Dull knives lead to unproductive labor time as operators stand feeding logs through the chipper when they should be getting more material to feed into the machine. Dull chipper knives also waste time because they produce stringy chips that tend to clog discharge chutes, causing job interruptions.

Dull knives increase engine wear and decrease engine life. When chipper knives are dull, there is extra energy required to chip the log.

These forces go back through the machine's bearings and the drive shaft, creating vibrations that produce greater engine wear. If operators continue to "lug down" the engine in an effort to force material through dull knives, the acceleration of engine wear can be exponential.

Kramer Tree Specialists, Inc., and Wright Tree Care train operators and crew foremen to recognize the signs of dull chip-

per knives and to get them changed before the chipper goes out again.

Kramer says that keeping chipper knives sharp is the main reason why he has been able to extend the useful life of his chippers. "We have a spare set of knives for each chipper and we will change them every week or every 10 hours of use, whichever comes first. We will rotate the knives and have a sharpening service that comes by take care of the sharpening. Everyone here knows not to go to a job with dull knives. We take special care to check the gap between the chipper blade and the shear bar or anvil. We keep this gap at the absolute minimum prescribed in the operator's manual and always check it. The way we look at it, the smaller the cut the blade has to make the less the load is on the engine. This one maintenance job will lower operating costs and extend chipper life."

#### **Chip it, don't log it**

Managing a tree-trimming equipment fleet efficiently can be summed up succinctly in the phrase "Haul chips, not logs!" Both of these tree service firms—albeit at different levels—employ this philosophy. When Wright Tree Care re-started its residential business in 1993, it had two eight-inch chippers. Its workers soon found that they were loading their chip and lift trucks up with logs that the smaller machines could not chip.

As the customer base grew, both companies brought two 12-inch chippers into their fleets. According to Linda Wright, "These purchases were a step up for us. With our type of work, moving up to this class of chipper was a benefit for our company. As we get into bigger trees, we can now break down more of the tree into chips rather than haul logs. If you don't have a large enough chipper, you waste time sorting logs you can chip from those you can't. Hauling logs put a lot more stress on the employees and on two of our under-sized chip trucks. Plus, the tipping fees are a lot less for chips at the recycling yard than

they are for logs. It made sense to increase the size of chippers we operate."

Kramer Tree Specialists, Inc., takes this management decision even further. In an effort to minimize on-site labor, Kramer added two 18-inch chippers to his fleet.

Kramer explains, "These Vermeer 1800's limit substantially the number of logs my crews have to handle on site. This makes their time much more productive."

*"I run everything through this tub grinder and have spent years building up my mulch business"  
--Joe Kramer, West Chicago, IL.*

The way we look at our tree removal business is that every major branch of an old tree will have part of it that you might not be able to chip. But, the larger the chipper you can get on site, the fewer logs you handle on-site with a log loader and haul off site. There have been cases in the past when there have been fifteen 10-foot logs from a single tree. Chipping these makes sense to me."

Chipping logs on the job is also part of Kramer's business plan. He operates a new TG400AL Vermeer tub grinder on his yard creating marketable landscape chips. "I run everything through this tub grinder and have spent years building up my mulch business," describes Kramer. "This tub grinder runs through chips like water. The way I look at it, putting chips rather than logs through it puts less stress on it, increases its useful life, and reduces its tooth and hammer replacement bills."

Defining your market and the business you want to be in, maintaining equipment properly, conducting operator training, using sharp knives and concentrating on the efficient use of the machinery in your fleet extend your fleet's useful life and pay off at your bottom line. **LM**

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