

People of the Year

Person of the Year in Landscape Contracting

Burton S. Sperber

BY SUE GIBSON

**President and CEO,
Environmental
Industries Inc.,
Calabasas, CA**



(left to right)
Richard A. Sperber,
Burton Sperber,
and Stewart J.
Sperber

HIGHLIGHTS:

- ▶ Established Valley Crest Landscape Nurseries in 1949 with \$700
- ▶ Licensed landscape architect, engineer and landscape contractor
- ▶ Grows Environmental Industries Inc. to \$436 million in revenue for 1998 revenues with 5,500 employees and five operating divisions
- ▶ One of original founders of Associated Landscape Contractors of America
- ▶ Funded landscape scholarships for 40 years

This story starts like many others: A young man of 19 loves landscape work, takes a big chance and starts a business. He invests his meager savings, works long and hard hours to make a go of it and learns many lessons along the way.

Years later, some look back and know they've succeeded more than they ever thought; others see they never quite got the hang of it. But only one can look back after 50 years and see his business has become the industry's largest private firm: Burton S. Sperber, president and CEO of Environmental Industries Inc., Calabasas, CA.

Installation by day, collections at night

Burt Sperber and his father started Valley Crest Landscape Nurseries together in 1949 with a \$700 investment. "That's about what it was worth, too," he jokes.

Sperber enjoys telling about the early years, when he installed landscapes during the day, then sold more work, made collections and paid his suppliers in the evenings.

"My early challenges were making our weekly payroll, staying focused on making customers happy and building great gardens," he recalls. Today, the last two are still his focus.

As for making payroll, things are lot different at Environmental Industries Inc.,



◀ Burt Sperber (far left), stands with his original crew around 1950.

▶ Burt Sperber rests in front of the original Valley Crest Landscape Nurseries, North Hollywood CA, ca. 1949



which last year had revenues of \$436 million. The company blossomed in southern California's post-World War II years. Sperber earned his landscape architect, engineering and landscape contractor's licenses in the 1950s. Large-scale projects at California schools and highways, housing developments, golf courses and commercial buildings gave Valley Crest opportunities to grow.

The company became Environmental Industries Inc. in 1969, and today has 5,500 employees working in five operating divisions throughout the United States:

- ▶ Valley Crest (landscape site development and construction, theming, specialty services, landscape products);
- ▶ Environmental Care Inc. (landscape, tree and water management);
- ▶ Valley Crest Tree Co. (specimen tree growing, relocation, preservation, nursery);
- ▶ U.S. Lawns (landscape maintenance franchises); and
- ▶ Environmental Golf (course construction, management, maintenance).

Family operation first

Sperber's younger brother Stuart joined the firm in its second decade, managing Valley Crest Tree Co. Together, the brothers developed wooden tree boxes to protect specimen trees. "It was an expensive way to be in the nursery business because we were spending money before we sold the trees," Sperber says.

The nursery's quality is key to its reputation. "Lots of landscape architects specify that the plant material on a job must be 'Valley Crest' quality or better," he notes.

The family tradition continued when Richard Sperber, Burt's son, joined the firm. He now serves as president and COO of Valley Crest and Environmental Golf, as

well as senior vice president of Environmental Industries.

Sperber stresses that hundreds and hundreds of field employees have worked for the company for 20 or 30 years, and the average tenure of more than 70 executive managers is 17 years. "This is a family-run company and our employees feel they're part of the family," he says.

Finding and keeping employees is almost a second focus at EII. "Every day, we're doing \$2 million worth of work and have to hire two new employees just to sustain our growth," Sperber notes.

Acquiring people along with acquisitions is a key part of any deal, Sperber notes. "In our acquisitions, the employees and principals typically stay with us," he says.

He stresses that unlike many of the new consolidators, EII puts top priority on people in an acquisition. "When we make an acquisition, the major thing we're interested in are the people," he says.

Giant steps

Few landscape firms offer complete vertical integration of services, and none do it on the scale of EII. Like a perpetual motion machine, it is EII's size and ability to handle massive projects that keep it profitable and competitive. According to Sperber, this offers several advantages:

- ▶ Long-term people. "Our leaders are people who could be in business for themselves, but we've taken out all of the risk, yet have a reward system similar to what they would have in business for themselves," he explains. "And they don't have to worry about dealing with insurance, lawyers, bankers, accountants, bonding companies — all the things that drive people crazy. All they have to do is be good landscape people."

▶ Vertical integration. "We've built a machine in our landscape division that has little competition in the United States; we're about 10 times larger than our nearest competitor," Sperber explains.

▶ Profitability. Sperber notes that EII grew internally by \$85 million last year, without acquisitions. It also operates with an incredibly low overhead rate.

▶ Work quality. Asked his toughest challenge, he replied, "maintaining quality and our reputation." He cited customers who have had continuous service since 1968 ("forever in our business"), as well as EII's focus on maintaining consistent service.

Industry leadership

Before the trade associations came into their own, Sperber supported student scholarships in horticulture and landscape architecture. "We've recruited at colleges for years," he remarks, noting that EII has given scholarships and had formal training for 40 years. Currently, it supports 21 different college programs.

Sperber was a founding member of ALCA and helped establish chapters of the California Landscape Contractor's Association, once serving as its president. He has also provided memberships for EII staff who wish to be active in regional and national industry associations.

Currently, he is hosting the third annual Mergers & Acquisitions Conference, to be held in San Francisco in January 2000.

"It's something I can do to try and give back to the industry more than it's given me," he notes, reflecting on the company's 50 years of operation. "My job now is transferring leadership to a lot of people at EII. I was just lucky enough to be the guy who started it."