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## Don't plan, and go nowhere

**T**here seems to be a common question that Green Industry owners and managers constantly ask: Is all this work and worry worth it? Nothing ever seems to go right.

Operating headaches are a part of the industry, but it's how they're handled and what solutions are used to keep them from reoccurring that makes a company run smoothly and efficiently. The type and volume of these headaches occur at all levels of your business (from the field to the office) and affect companies of all sizes. Through pre-planning, you can avoid some of these.

But pre-planning is often the last thing a fledgling business owner does. Here's a typical landscape and maintenance firm start-up scenario and its problems.

### John's stab at success

John works as a field foreman and sees that the owner of the company drives a nice car, has a nice house and takes great vacations. John tells his wife that through his efforts, the owner is making lots of money and he's not getting paid what he's worth. They decide to start their own company so they can make all that money for themselves.

At this point, the headaches begin. They borrow start-up money and purchase trucks, equipment and office equipment. They are now in a cash shortage but don't know it yet.

John sells the work, installs the work, fixes the equipment and more. His wife tries to raise the family and run the office simultaneously. At first, they can

manage the daily affairs because the company is so small. It's not difficult to get work because John works on every project himself, and therefore the quality of the work is high and the price is low.

But soon John has so much work he has to hire a foreman to run the crews while he sells work. The office work becomes too much for his wife, so they hire an office staff. Cash flow is at a critical level — they scarcely cover payroll and get way behind with payments to their vendors. Soon, they can't pay themselves a salary. It now becomes harder to get equipment fixed and buy material for jobs due to the cash crunch.

The office staff doesn't know what information to track so they track everything, but John can't understand why he's losing money when his company is so busy. His employees are not producing the same quality work, and his customers begin to complain. Some laborers don't show up every day, causing scheduling problems. John works harder than ever and makes less money.

After three years, John closes the business. He and his wife never developed a plan for managing the company's growth or proactively (not reactively) running the company.

Unfortunately, this is typical in our industry since landscaping and maintenance seem so easy. John still can't understand why his former boss, Sandy, was doing so well. Next month, we'll see what made Sandy's company so successful.

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