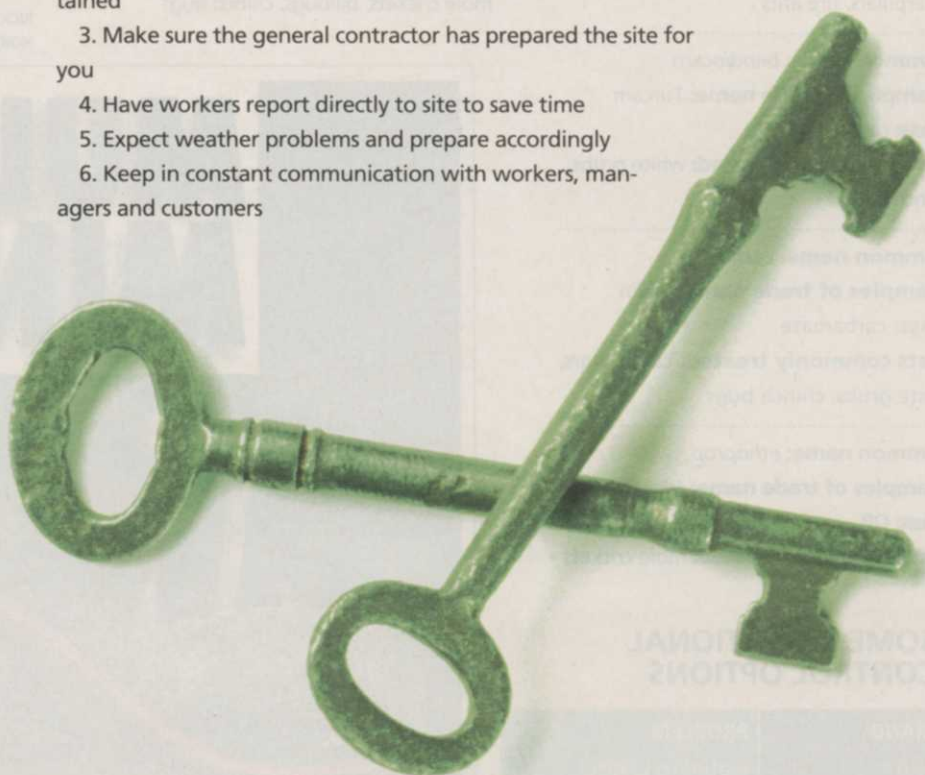


Keys to an efficient operation

1. Know the project inside and out before arriving at the site
2. Make sure all materials are ordered and equipment is obtained
3. Make sure the general contractor has prepared the site for you
4. Have workers report directly to site to save time
5. Expect weather problems and prepare accordingly
6. Keep in constant communication with workers, managers and customers



15 ways to build your operation

- Educate yourself; become a business person.
- Arrange for enough money to operate in a smooth manner.
- Price to make your services profitable, not just to get business.
- Have a plan for growth and stick to it. Extra business may sound good, but if you overextend yourself or lose money on the work, what is the gain?
- Sell only enough business you can reasonably handle.
- Learn to delegate; you can't do it all.
- Get involved with other landscape professionals.
- Have realistic expectations.
- Diversify your customer base.
- Focus on your key services.
- Understand and maintain good cash flow.
- Focus on people.
- Be 'in' the business; take it seriously.
- Always try to improve.
- Make sure key players are trustworthy.

Two sides of the "contractor" coin

We combed our research to develop two profiles of "typical" landscape managers. For comparison, we selected data of small organizations (revenues less than \$100,000) and larger ones (revenues over \$500,000) from our Penn survey. Both could describe themselves as "landscape contractors."

	Joe Lawn Service	Dan Green Guy
Company revenues	Less than \$100,000	More than \$500,000
Services offered (by rank)	Mowing Landscape construction Turf aeration	Landscape construction Mowing Turf fertilization
Customer mix	Residential – 67% Commercial – 25%	Residential – 55% Commercial – 41%
Years in operation	5 to 10 years	11 to 20 years
Location	Northeast or Midwest	South
Expect increased revenue for 2001?	Yes – 61%	Yes – 72%
Expect higher prices for 2001?	Yes – 69.2%	Yes – 71.4%
What are your top 3 challenges in business?	Growth management – 66.7% Labor availability – 54.8% Financing availability – 42.9%	Labor availability – 84.8% Developing field supervisors/ foremen – 78.8% Growth management – 51.5%
Hourly rate for employees	Best employee – \$12/hour New employee – \$8/hour	Best employee – \$18/hour New employee – \$8/hour
Number of employees	Full time – 4 Part time – 4	Full time – 30 Part time – 13
Employee retention programs used	Incentives/bonus – 74.1% Transportation – 37% Uniforms – 37% Retirement plan – 29.6%	Incentives/bonus – 66.7% Uniforms – 60% Retirement plan – 60% Promotions – 43.3%
Full time mechanic?	No	Yes
Have a Web site?	Yes – 9.3%	Yes – 33.3%
Highest level of education	High school graduate	Bachelor's degree
1999 personal income	\$61,889	\$95,174
Hours worked per week	55	64
Age	40	42
Years in industry	15	21

On-site risks to avoid

Based on the observations of loss control specialists, we've listed three of the most common office site risk factors, along with advice on how to correct potential problems.

1. Wet surfaces/floors. Uneven surfaces, walks, holes and changes in level are major sources of "slip and fall" injuries, both indoors and outdoors. Wet areas made slick by frequent watering and algae growth are also a problem. To cut down on the possibility of these injuries,

- ▶ post warning signs in slippery areas,
- ▶ level uneven areas and fill in holes,
- ▶ fence areas that can't be leveled,
- ▶ treat walking surfaces to reduce algae growth, and
- ▶ routinely inspect walkways.

2. Cluttered aisles and walkways. Hoses left in walkways, as well as trees and shrubs that protrude, are tripping hazards. Bags of seed and/or fertilizer and storage pallets also present safety hazards for employees and others. To prevent these types of injuries, you should:

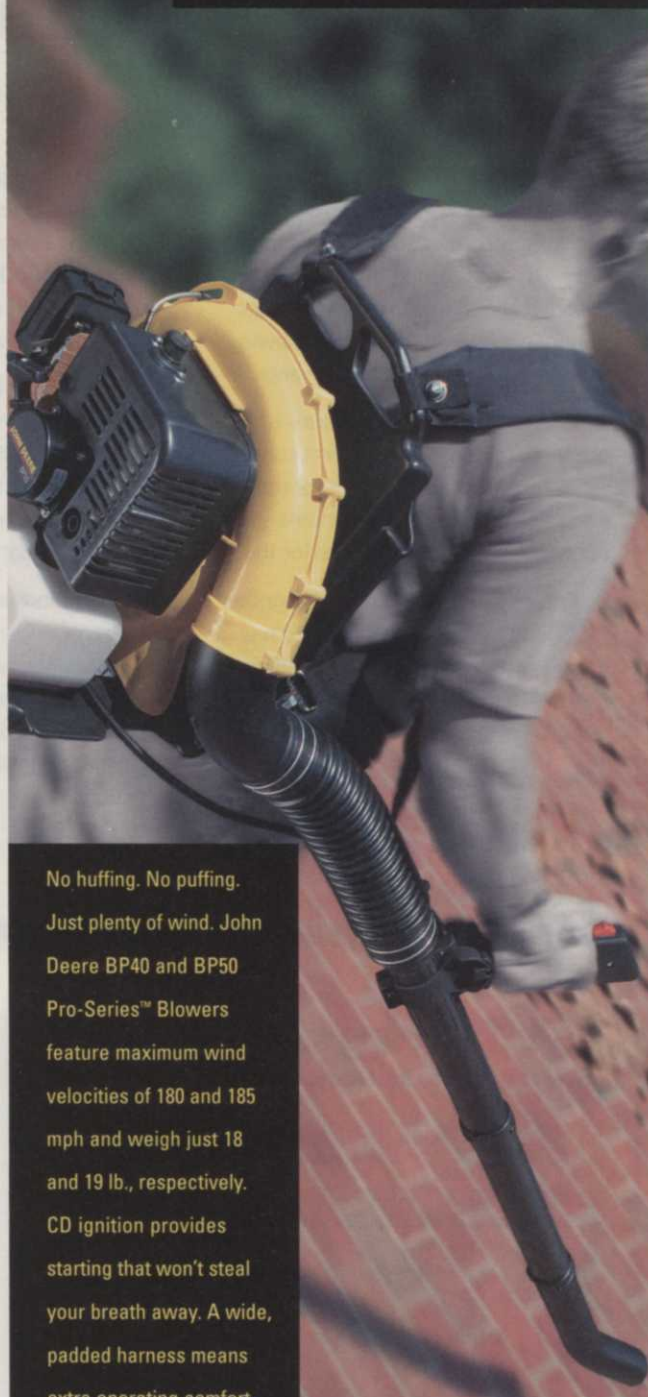
- ▶ check walkways on a daily basis to be sure they are clear of obstacles,
- ▶ be certain hanging items above walkways and doorways are secure and out of reach, and
- ▶ make sure tool storage areas are secure

3. Poor electrical wiring. Poor wiring is one of the biggest causes of fires. The most common electrical violations found are temporary wiring situations, excessive use of extension cords (including those made of "Romex" wiring) and improper splicing. To prevent the possibility of an electrical fire, heed the following advice:

- ▶ Have your electrical system inspected by a professional electrician
- ▶ Join wires by standard twist connectors. Wires that are twisted together can loosen and arc, which generates heat and more arcing, potentially causing a fire
- ▶ Check extension cords to ensure they can handle the load they're carrying
- ▶ Do not place extension cords under carpets: Cords can break down from constant foot traffic and can smolder undetected, potentially causing a large fire
- ▶ Never plug one extension cord into another
- ▶ Be certain that all joints are inside a junction or receptacle box
- ▶ Keep breaker and service boxes away from wet walls and protect them from leaks

John Deere Pro Series

Big, Bad Wolf



No huffing. No puffing. Just plenty of wind. John Deere BP40 and BP50 Pro-Series™ Blowers feature maximum wind velocities of 180 and 185 mph and weigh just 18 and 19 lb., respectively. CD ignition provides starting that won't steal your breath away. A wide, padded harness means extra operating comfort. Pro-Series blowers. Available only from your servicing John Deere dealer.

A New Benchmark In Professional Productivity



10 trends impacting the industry

Whether the economy continues to expand or slow, these 10 trends won't change. Here they are:

- 1. "Easy" growth** – It's not only fairly easy to grow an operation, it's sometimes a real challenge to limit growth. Survey respondents named landscape design/installation the fastest growing segment, followed by maintenance.
- 2. Uncertainty about the future** – Is the economy cooling? Will it affect construction, disposable income for consumers and commercial maintenance budgets? It's hard to prepare for this.
- 3. Consolidators are getting it together** – While the rate of consolidation has slowed, the consolidated companies are starting to standardize operations and bring on some real competition.
- 4. New, tougher competition** – New competitors enter this market constantly, making competition tough and squeezing prices, particularly in the

maintenance side of the business. This won't stop.

- 5. Demanding customers** – Blame it on instant messaging if you like, but today's residential and commercial customers are much more fussy and pushy about getting "extras" in a deal. And they want it now!
- 6. Ouch! Lack of labor hurts** – Labor shortages are a fact of life and there is no solution on the horizon. Some organizations make the most of the situation with good management, benefits and mechanization.
- 7. Regulations with bite** – Key issues challenge landscapers around the country, including: availability and use of pesticides; blower noise and engine exhausts; ozone-alert restrictions; control of irrigation installation; and water restrictions.

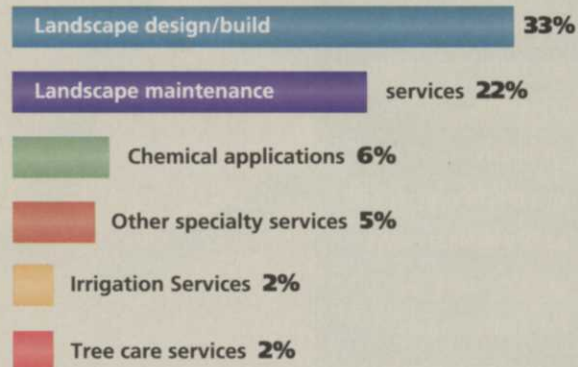
8. Diversity in services and customers – Innovative contractors and LCOs are expanding into new areas, franchising new services and seeking employees from new sources.

9. Supply chain blues – Manufacturers are merging at a dizzying rate, the ABT seed consolidation's fallout has yet to fall out and dealer/distributor chains continue to confuse and frustrate industry professionals. This will continue as long as mergers and acquisitions are profitable.

10. High-tech goes "green" – Laptops, palm devices, digital photography, new software and the Web continue to attract the attention of tech-savvy landscape managers. But how many are mechanizing for better productivity?

Fastest growing service segments

(percent chosen as fastest growing business segment):



How you recruit employees

