

BY SUE GIBSON / EXECUTIVE EDITOR

## Will your landing be soft?

**“T**he landscape is changing fast,” said *The Wall Street Journal* recently, referring to the changing consensus on our economy’s health. Just last fall, leading economists, the Federal Reserve and even the IMF were predicting healthy growth for world markets.

Now they’re changing their tunes. With the Nasdaq sliding 39% in 2000 and giants like Xerox asking employees not to make copies “unless absolutely necessary,” you have to wonder how this new economy will affect your prospects for 2001. Add in a bitter cold winter and some unusually high prices for commodities like fuel and fertilizer, and you have a whole new ballgame.

Are you prepared? The economy’s changing landscape will affect your business and, although it’s early, you’re still better off if you’re prepared.

### Hard eyes on the budget

It doesn’t seem logical that a sudden drop in the value of a strong sector like technology stocks should affect your business, but it will. The drop in value is affecting consumer confidence, which affects many things like:

- big-ticket spending (on houses, business investments, durable goods)
- construction and renovation spending,

credit (more of it, further compounding the problem)

- corporate budgets (getting tighter in anticipation of more slowing.)

When the business community also starts worrying, the ripple effect gets worse:

- they hire fewer people and cut operating and financing plans, further affecting other businesses
- they close unprofitable operations, putting more people out of work and more office space up for grabs
- they start looking at their budgets with hard eyes for more ways to save.

What does this mean for you? Your residential and commercial customers will be giving their landscape and lawn care budgets more scrutiny, and may pare down 2001 services. In-house grounds managers will be under similar internal pressure.

Clients will ask you to keep budgets in line, cut budgets or get more maintenance services for the same money. Look for fewer construction projects, too.

### One harsh winter

You’re going to feel this winter’s chill soon (if you haven’t already) in:

- skyrocketing prices for heating fuel,
- higher fertilizer prices,
- probable higher prices for vehicle fuels,
- weather damage to landscapes, or
- loss of many landscape plants.

While the last two items may offer good opportunities for landscape restoration work, consider the effects of higher vehicle and heating fuel costs on your customers and on your own bottom line. As these costs eat into your customers’ profits and household budgets, will your customers earmark their leftovers for landscape work — a service that traditionally doesn’t have a high priority?

I hope they do. I hope you make an extra effort to reach out to clients and remind them of the benefits they get for their landscape money.

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