

# OPENING THE BOOKS

**This landscaping company found that sharing everything with employees was the key to greater success and motivation**

BY DON DALE

**S**ince starting their dad-and-sons landscape installation business in 1976, the Bratt family has become a diverse business with its fingers in a lot of landscape-related pies.

But the thing that turned Bratt, Inc., Pleasant Grove, UT, into one of the most dynamic landscape companies in the West was the discovery of a business philosophy and management program that led to employee profit participation, effective in-house communication, incisive company organization and enviable morale.

## Show 'em everything

"The divisions all run off this program we incorporated last November," says General Manager Jon Bratt (pronounced Brott). The program is about having an "open book policy" that brings employees into the decision-making process at all levels.

"A team can't know if it's winning or losing unless it can look at the scoreboard," says Perry Bratt, company president and specialist in business development and estimating. Perry and Jon run the company with their father, Ross, the founder and vice president in charge of quality control. The Bratts are equal partners, however, and titles are simply for job clarity and divi-



Ross Bratt, center, and sons Perry, left, and Jon, right, expect their company, Bratt, Inc., Pleasant Grove, UT, to gross over \$13 million in 2001.

sion of responsibilities.

The Bratts derived their philosophy from two of their favorite books, "The Great Game of Business" by Jack Stack, which gave them a model for their business plan, and "First Things First" by popular family advisor and motivator Stephen R. Covey. The system they created involves employees in decision-making and rewards them with a share of the resulting profits. Managers of the company's four divisions are empowered to run those divisions as if each was the owner of his own company, and all employees are shown every detail of the company's operations.

This makes employees feel like partners in the team, and they eagerly take on this new knowledge because they know they can take home a piece of the pie in the company's profit-sharing scheme.

"If we make a 10% profit or more in any given quarter we share 20% of the net profit on a quarterly basis," Jon says. The reward is split up on a sliding scale based on how long an employee has been with the company and how high he has risen in responsibility. Up to six points can be earned for years served, and there are six levels of employment. For example, a division manager with six or more years em-



Ross Bratt started the company 25 years ago as a part-time adjunct to his teaching job. It's now doing \$2.5-million projects.

ployment would earn 12 points on the system, while a new employee would earn two points after one year of service.

### Incentives work

The Bratts say the profit-sharing part of the system has resulted in increased productivity and profits because employees recognize that every decision they make, every job they perform, affects the bottom line — and their bonus.

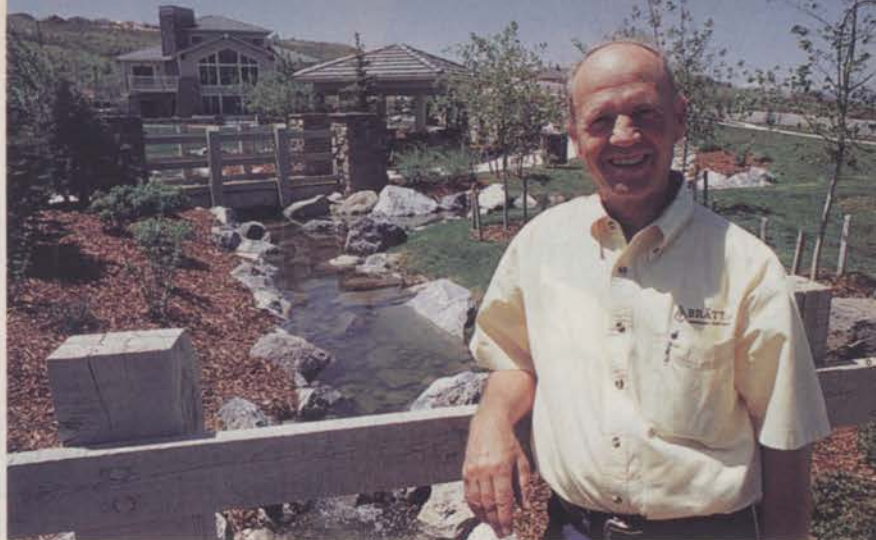
A crew that cuts work time on a job is often treated to pizza delivered to the job site the next day, or free movie tickets or restaurant coupons. Perry gave an example of how this can have a positive effect on a job, and the company's bottom line. One division was erecting a 42,000-sq. ft. rock wall on a large landscaping job last winter. "At first they were putting in 150 square feet a day," Perry says, "but when the division manager pointed out how that wasn't going to make a profit, and offered extra incentives, the pace increased until the wall was going up at 420 feet per day."

"The crew actually came to us," Jon says. "They were challenging the bosses, asking for incentives in return for productivity increases." The end result was not only a solid profit on a \$610,000 job but the ability and confidence to bid those kinds of jobs lower in the future.

### Workers know the score

The Bratts say that a laborer who once would have watched a tractor run over a shovel now rushes to save that shovel because his bonus will decrease if the company has to buy a new one. Now nobody in the company wants to re-do a job, because that is a huge drain on profits.

Awareness of incentives has become so acute that an employee who lags behind becomes a pariah on the job to conscientious workmates. "They'll go to the supervisor and say he's not doing his job," Jon says. Also, since employees share in extra profits from all divisions, they'll keep a close eye on other divisions to make sure nobody is dragging down their bonuses.



Intra-company communication is essential for this type of operation, and the Bratts have set up an efficient framework by writing manuals and procedures and holding weekly meetings with employees.

Every week, each division holds a "huddle" of about 20 minutes to hand out financial reports, cover training and safety issues and reinforce the company philosophy. Owners and business managers also hold a weekly meeting over lunch, going over a printed agenda in order to examine current issues and circumvent problems.

### Growth in division

Ross Bratt started the company 25 years ago as a part-time adjunct to his teaching job. He brought Jon and Perry in to help, and after they graduated from college, they stayed with the business. The first job they completed earned them about 50 cents per hour. Today, the company grosses about \$9 million and has a 7,000-sq. ft. office.

That kind of growth has happened because of the way the Bratts organized the company. Separating it into four divisions — installation, maintenance, water features and excavation — fit their plan to increase diversity. The Bratts remember, however, the backbone of their business.

"We do a lot of design and build," Perry says, and the architects, softscapers and construction workers in the installation division still do the majority of the company's business. Lately, jobs have been in the \$1.5 million range, with

## COMPANY PROFILE

**Name:** Bratt, Inc.

**Owners:** Ross, Jon and Perry Bratt

**2000 gross revenue:** \$9.3 million

**Expected 2001 gross revenue:** \$13.3 to 14.3 million

**Employees:** 60 full-time, 125 part-time

**Services:** Design/build, snow removal, landscape maintenance, water features, landscape installation





Jon Bratt and his team keep taking on bigger and bigger projects.

one being around \$2.6 million.

Bratt, Inc. wants to do as many aspects of a job as possible, and then pick up the maintenance contract. They are now starting a concrete division. "We have a general contractor's license and an engineering license, so we can do nearly everything we want

in the state of Utah," Perry says.

Water features have become a company trademark. The Bratts started installing them 15 years ago, but admit they struggled with them until their knowledge and company size increased.

"We also decided to get some employees who knew

what they were doing," says Perry, who believes water features are a future trend in commercial and residential construction. Half of their water projects are backyard fountain or waterfalls, as well as "theming" with artificial rocks and other manufactured items.

The excavation division grew out of a desire to maintain control of a job right from the beginning, and salvage topsoil and rocks from jobs and use them on other

sites. Topsoil has become a high-cost commodity in the area, and a truckload of large rocks removed from one job can bring in \$600 from a homeowner.

**Recruit the best**

Bratt, Inc. has gone to great lengths to recruit employees who are good at what they do. Dudley Cronin, head of its excavation unit, was recruited from the southeast because of his reputation. Also, Bratt, Inc. merged with two local land-

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scape maintenance companies recently in an effort to gain more experienced employees, as well as equipment and existing contracts.

happy company. **LM**

— The author is a frequent contributor to

Landscape Management based in Hollywood, CA.

**Be curious**

One aspect of the Bratts' success is their curiosity about other companies' successes and the ability to learn from them. Three years ago, in an effort to upgrade their company, they began calling and visiting other landscapers with good reputations in other parts of the country.

"We were very frustrated that, year-in and year-out, we were only making 3% to 6% net profit," Jon says. So they began talking to vendors, asking which companies were excelling in various aspects of landscaping.

Since then, they have visited companies from California to Maryland, from Oregon to Arizona, shadowing them and inquiring about their inner workings. Those companies were happy to give advice, since the Bratts were outside their markets, and allowed them access to everything from bidding to equipment shops.

"It was a real eye-opener," Ross says, noting that they have implemented many of the ideas they found and still call these companies occasionally to ask for advice. He believes there is no recipe like success, and the company is returning the favor in Utah. Three years ago, it sponsored a seminar, and 42 companies attended talks on estimating and related topics.

"It's very difficult to compete if you don't change," he notes.

But the family still believes that having a core philosophy, one that is compassionate and motivational toward employees, will be what takes them to the next level. And there's nothing like working in a

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