

business ideas

BY ED LAFLAMME / GUEST COLUMNIST

Owners pay for a lack of systems or processes by working harder and longer hours and by not getting the returns they should from their companies.



Working hard, going broke

After working with dozens of landscape companies throughout the United States during the past year, it has become unmistakably clear to me why some companies make money and other don't.

Companies with processes make money. Companies without processes have to work harder to make money. Sometimes, they can't even work hard enough to earn a profit.

"The harder I work, the broker I get," is how one owner described it to me recently.

Create processes

Processes mean organization. No processes in place means lack of organization, which inevitably shows itself in too many unbillable hours. When you can't (or don't) charge for every hour that you or your crews are on the clock, profits disappear.

Can small companies make money without processes? Yes, but they can't grow beyond a certain size because they don't have the processes to grow. They're stuck. They can't take on more work to build revenues because there are no processes to get the work done in a logical, efficient manner.

Typically, the entire process of a small com-

pany revolves around the owner or one key manager, and without those key people directing everything all the time, things start to fall apart.

Unbillable hours

Curious about whether you have the systems we're talking about? Here's a quick test: Look outside your shop tomorrow morning when your workers arrive. Are they scurrying around like ants on a sidewalk full of crumbs, loading trucks, finding out what jobs they're going to, getting directions, repairing broken equipment and getting fuel — all seemingly at the same time?

These wasted minutes each morning are unbillable and eventually add up to hours. To make matters worse, they can lead to overtime hours by week's end.

As companies grow and crews multiply, the problem usually worsens. Unbillable hours can run out of control and then companies begin to lose money.

Owners, indeed everybody within an organization, pay for a lack of systems. Try as they might, and work as hard as they can, they can't overcome these inefficiencies.

So if you're "working harder and getting broker," try to figure out how many hours you're paying each week that are unbillable. That will get you to start thinking about ways to eliminate them.

Create processes that will simplify your operation. Then, instead of working harder, you'll be working smarter. Growth and prosperity will soon follow.

— *The author built and operated the largest landscape company in Connecticut before selling it in 1999.*

He now operates Grass Roots Consulting, Inc.

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A.M. fast-break process

- ▶ Prepare work schedules the day before
- ▶ Load trucks the night before
- ▶ Hire a night mechanic to service trucks, equipment
- ▶ Fuel trucks the night before
- ▶ Set a time when all trucks must be off