



## BESTPRACTICES

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# Thriving in a take-away environment

**W**ith the decline in new construction comes a new reality for landscape maintenance contractors. Companies that want to grow or maintain their sales levels will be dramatically affected by what is rapidly becoming a take-away environment.

Companies will have more pressure than ever on their accounts as other contractors become more aggressive in their sales techniques and pricing. With few new projects to bid on, most contractors will resort to going after other contractors' work.

In this increasingly competitive environment, companies need comprehensive strategies to maintain profitable growth. The most important part of these strategies is to identify signs that your properties might be at risk.

Staying close to your customers and always doing a great job is the best strategy, but during tough times it's also important to pay more attention to your clients' businesses.

This will involve some training of your account managers and customer relationship managers to

know what to look for and what kinds of questions to ask. Both commercial and residential real estate have been severely impacted in many markets, some worse than others.

Look for vacancies in commercial and retail centers. Bankruptcy sales could be an indicator that a homeowners' association could have budgetary problems thanks to lower fees being collected. As for individual businesses, ask your clients how the economy is affecting their business.

It warrants making a matrix of your client types and what sensitivities they might have to the recession so you can systematically evaluate their vulnerability. They will have sales people from other companies calling on them. Will they listen? You should be looking in advance of just what work might be vulnerable to accepting low bids, and who might ask you to cut your bids.

A proactive approach might help you build more trust and loyalty with clients — if you feel their pain and go to them first with a value-engineered temporary reduction of scope to help them get through the tough times.

### Opportunity knocks

When prospecting for new clients, you often will be calling on your competitors' properties. Here you should be looking for sites being maintained by competitors that price similarly to you and deliver the same quality of work. No sense chasing properties being maintained by "low ballers" — unless you want to go low yourself.

You need to minimize costs because you will have to bid tighter than you want to get work. In this economy, you might have to cut some prices just to keep work. Unless you cut your costs, the price cuts you make will come off your top and bottom lines.

Remember, with each challenge there are new opportunities. Smart, proactive contractors always come out of tough times stronger than their competitors. Be one of them.

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