# ACUTABOVE

GREEN INDUSTRY MAINTENANCE LEADERS » **BY DAN JACOBS**

John Miller, president & CEO

Formed in 2008, **Yellowstone Landscape Group** serves as the parent of three well-established Green Industry companies: BIO Landscape & Maintenance, Piedmont Landscape and Austin Outdoor. President and CEO **John Miller** provides his insight on issues facing maintenance companies.

## TOP TRENDS

» **Reduce costs.** There has been considerable pressure from our client base to reduce the cost and therefore, to some degree, the level of service. More than half of our customers have looked for ways to save money in their landscaping budgets. We work with them very closely to do that. The way we've tried to do that is to go over in considerable detail areas they can pick and choose some reduction in level of service.

» **Adding services.** A number of folks in the Green Industry and even some general contractors have tried to get into a different part of the landscape industry. Where they have been heavily construction oriented, they're trying to get into the maintenance side of the business. You can't blame them because the installation side of the industry has certainly suffered significantly. They just aren't familiar with some of the costs. That creates some difficulties for the incumbent maintenance company, and it creates some real challenges if they bid it too low — they actually have made their situation more complicated.

» **Stimulus money.** The stimulus money that was promised to improve the economy — we have seen very little impact in our market from anything coming out of Washington. We're not sure if we ever will. We're certainly not counting on something coming out of Washington to save the day.

### INSIDE INFO

**Company:** Yellowstone Landscape Group

**Headquarters:** Plano, TX

**Year established:** 2008

**Employees:** 1,000 in season; 650 out of season

**Annual revenue:** Nine figures

**Keys to being a maintenance leader:** You have to deliver the level of service the customer expects. Maintenance runs a broad gamut, from resort and elite (properties) to tractor mowing of centerlines. Those are radically different kinds of maintenance situations. You need to deliver the level of service for customer expectations. If you give too much, it's going to have an impact on your bottom line. If you don't deliver enough, it's going to have an impact because the customer is going to go to somebody who will deliver the level of service that's appropriate.

## TOP OBSTACLES

» **Tightened lending.** We are fortunate that we are well supported and have an adequate financial position. Our relationship with our lenders is sustaining. But we certainly have encountered companies that have received a great deal of pressure from their lenders. In certain circumstances, credit lines have been reduced or, heaven forbid, not renewed. It's very disturbing to see some of the lenders are not as supportive as one would like them to be. We hope that it will improve over the next year to 18 months.

» **Acquisitons slowed.** It's very difficult, except for the larger enterprises, to do any acquisitions, because the banks are not that enthusiastic about lending money to support an acquisition.

» **Staff reductions.** If your level of business is reducing, then unfortunately, you have to make some very difficult calls on manpower levels. Nobody wants to let good people go. We have thus far been reasonably successful in retaining our talented people. A lot of the things that you would like to do are just going to have to be deferred.

## TOP OPPORTUNITIES

» **Gaining market share.** If you have your costs in line and you are competing with people who don't know their costs, you may have some opportunities to selectively assume some business from some other folks in the marketplace. That sounds kind of cannibalistic or predatory. It's not meant to be. Your costs have to be aligned with the market conditions.

» **Financial stability.** This is also — in a left-handed way — to look at the structure of your business and determine if there are some things you need to get more efficient about.

» **Political savvy.** I would recommend people look at some of the things that are changing in Washington. There are big challenges out there. What's going on in Washington can impact their businesses quite significantly. We're talking about everything from health care to carbon footprint.