

Apples to oranges

Highest value versus lowest price? There's no comparison. Even in a recession, superior value wins the long-term customers almost every time.

BY MARTY WHITFORD / EDITOR-IN-CHIEF

TAKE AWAY

Manage customer expectations from the first sales call.

Provide value to customers, and communicate your benefits.

Concentrate on cultivating and retaining customer loyalty.

COMPETING PRIMARILY on price is the equivalent of sentencing your business to death, especially amidst the country's "Great Recession."

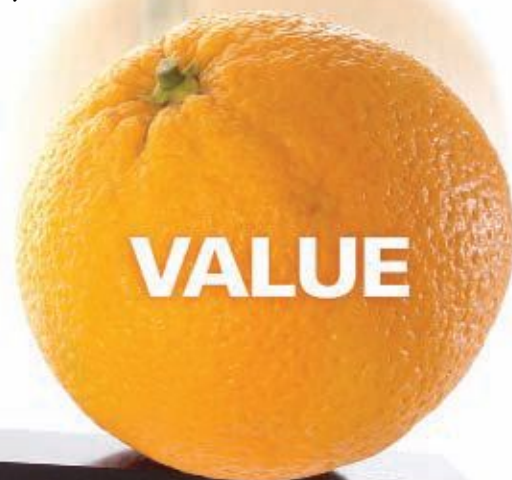
If you want to survive and thrive, you must compete on — and clearly demonstrate and deliver — superior value. That's the gospel according to Bill Hoopes, a 30-year industry veteran and founder of Delaware, OH-based Grass Roots Training.

"If you use price to gain customers, be prepared to lose them the same way," Hoopes says. "Someone else will come along before too long, and that customer will go away just like that."

Hoopes, who has served as director of training for Barefoot Grass and Scotts Lawn Service, played the dual roles of professor and preacher Sept. 17, when *Landscape Management* hosted its first LM Contrac-

tor Business School Webinar. Sponsored by DuPont Professional Products and archived at www.landscapemanagement.net, the Webinar, "Selling in a recession: Why service matters even more," drew more than 150 Green Industry professionals.

"If you don't differentiate your company based on the superior value you deliver, what do have to offer?" Hoopes says. "Naturally, you default to competing on price — and we all lose out, even our customers, because service usually suffers."





“WE GENERATED REVENUES OF \$1.25 MILLION LAST YEAR, AND WE’RE ALREADY AT \$1.4 MILLION WITH THREE MONTHS TO GO IN 2009.”

SCOTT EMERSON,
owner, Scotts Lawn Service
franchise, Prince Frederick, MD

During the Webinar, Hoopes explained how contractors can compete against low-bidders, and win most times, without competing solely (or even primarily) on price.

“It’s all about communicating and delivering superior value,” he says. (*Editor’s Note: For more of Hoopes’ insights on sales and marketing, see page 68.*)

Value 101

Recognizing sales and service are two sides of the same coin is the first step to communicating and delivering value.

“Most in the Green Industry are very strong technically, but many haven’t spent enough time developing and honing their interpersonal communication skills,” Hoopes says. “Studies show communicating value to customers and prospects is 85% about interpersonal communication skills and just 15% about demonstrating technical know-how. We have to do a much better job communicating to prospects the near- and long-term value of saying ‘yes’ to our proposals, as well as the many costs of saying ‘no.’”

Hoopes says every prospect asks themselves one question throughout a sales pitch: What’s in it for me? The path to closing more-profitable new business includes:

1 Listen and observe. Identify the underlying benefits the prospect wants and for which he’ll pay.

2 Talk the walk. Demonstrate how your business is uniquely positioned and proven to deliver those very benefits and many others.

3 Hero maker. Make the buyer look smart. Emphasize how studies have proven professional landscape and lawn care services often increase property values 10% or more.

4 Fear factor. Make switching from another company or from self service risk-free.

5 Easy does it. Communicate your simple plan that’s chock full of value.

Another sales fundamental is to only set realistic expectations. Some sales folks will say and promise almost anything to close a deal, but that approach only results in lower customer satisfaction scores and higher cancellations, Hoopes says.

Faithful followers

Hoopes preaches and embodies the cornerstones to sales and service success, says Phil Fogarty, president of Cleveland-based Crowley’s Vegetation Control and a Weed Man franchise owner and subfranchisor.

"I learn something from Bill every time I talk to him," Fogarty says. "He's committed to helping the Green Industry deliver increased value for all involved. His training tenets are proven over decades in the field, and they mesh nicely with Weed Man's business philosophy.

"The ever-constant thread is we have to keep ratcheting up the value we deliver," Fogarty adds. "We either grow or go."

But in these turbulent times, there are more companies "going" than are growing. Most business owners would be ecstatic if their 2009 revenues matched those of last year. Margins are a different, more-dismal story. However, one of Hoopes' clients already has surpassed its 2008 sales.



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"We generated revenues of \$1.25 million last year, and we're already at \$1.4 million with three months to go," says Scott Emerson, owner of the Scotts Lawn Service franchise in Prince Frederick, MD.

How is Emerson doing it? He's listening to Hoopes instead of the negative national media.

"It's as simple as 1-2-3," Emerson says. "One, we listen closely to each prospect's and each customer's needs; two, we sell our unique benefits as they pertain to those specific needs; and three, we back up our word with our work."

Against all odds

Emerson isn't alone. Quite a few of Hoopes' faithful followers are bettering their businesses amid this gloomy economy. Buckeye Eco Care in Centerville, OH, competes in a market that got a three-year head start on the recession thanks to the shutdown of several auto parts plants and a SUV factory that spiraled from three shifts to two, to one, to none.

Buckeye Eco Care's commercial sales are down 10% year-to-date, but its residential sales are up 8%. Total sales are forecasted to climb 2%, thanks to residential sales accounting for \$2.3 million of the company's projected \$3.3 million in revenues this year, says Mark Grunkemeyer, president and owner.

"If we get the opportunity to talk face-to-face with a homeowner, it's a done deal more times than not," Grunkemeyer says. "People are looking for more value, and that's what our business is built on thanks largely to the tutelage of Bill Hoopes."

JM Systems, which operates six Scotts Lawn Service franchises, has bolstered its sales 11% this year. JM Systems is on track to add

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DO YOU DELIVER?

Are your sales pitch and service delivery on the same page? Ask and listen to your customers. The goal is customer feedback on par with the following letter Buckeye Eco Care recently received:

We left a nationally recognized company after they came out and did two tree applications, two lawn applications, one aeration and one bug spray outside the house — all within three weeks! It was at that time I realized they were adding a lot of services we never authorized. They took total advantage of us! We ended up having a one-year bill of more than \$1,200!

We joined your company, and from the first call things have been fantastic! Your service techs, administrative staff, and all of your lawn and tree men have been very knowledgeable about our turf and tree issues.

We have more money in our wallet today. We have fewer treatments, yet our lawn looks beautiful. Your service has been beyond great.

Mark Grunkemeyer, owner of Centerville, OH-based Buckeye Eco Care, uses the testimonial as billboard material at the office and has added, "This is your sales advantage, guys!" to the handwritten customer note.

Grunkemeyer faxed *Landscape Management* a copy of the rave review, with a cover sheet saying, "Bill Hoopes is trying to make all of our lawn techs salespeople. Our competitors can't touch that."

Grunkemeyer's onto something — a real competitive advantage. Have you spent the time and money to develop hybrid sales/service techs and adopt a corporate culture of overdelivering, one customer at a time? — *MFV*

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\$750,000 in new business in 2009, says John Moehn, president of the Mishawaka, IN-based company. Just as important, the business' bottom line is 18% better year-to-date.

"We talk a lot about value internally and externally," Moehn says. "Price is probably the last thing we talk about."

Customer-centric

Kenny Crenshaw, president of Herbi-Systems in Memphis, TN, says he never pays attention to his competitors. Instead, he pays attention to his customers, employees and costs.

For example, some competitors think nothing of quoting \$10 less per chemical applica-



"WE'VE OFFSET OUR CUSTOMER LOSSES WITH PRICE INCREASES RANGING FROM A FEW PERCENTAGE POINTS TO 10% ON OUR REMAINING BASE."

KENNY CRENSHAW,
president, Herbi-Systems

tion than Herbi-Systems charges, even without seeing the prospect's lawn, Crenshaw says.

"Where's the value in that?" he says. "Some of our competitors lock into a low price before they see the weed, pest, competing grass and shade issues they'll face. And then they try to make back their money by doing twice as many applications. We don't play that game."

Even with its customer-centric corporate culture, Herbi-Systems has lost 2% of its clients this year.

"So far this year, we've lost 134 customers — primarily because of this recession," Crenshaw says. "But the ones we've kept are higher value. We've offset our customer losses with price increases ranging from a few percentage points to 10% on our remaining base of about 6,800 customers."

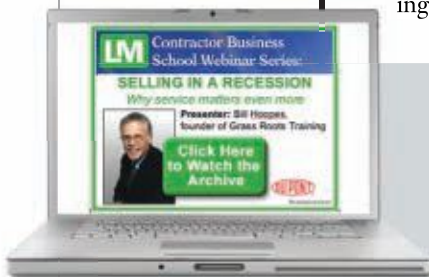
Demonstrating and delivering quality services is the key to unlocking value, says Bill Hildebolt, president of the Professional Landcare Network (PLANET) and of Nature's Select Premium Turf Services in Winston Salem, N.C.

"I'll never discount or match competitors' prices," Hildebolt says. "Market leaders don't do that."

The economic recession will continue to weed out the weak, he says.

"A lot of these guys are one-trick ponies — all they know how to do is cut prices," Hildebolt adds. "Many of them don't even know their true costs, and they end up putting themselves out of business. But if you differentiate your business based on quality service and value, there really is no price comparison to be made.

"It's apples to oranges." LM



LM CONTRACTOR BUSINESS SCHOOL WEBINARS

DuPont Professional Products sponsored the inaugural LM

Contractor Business School Webinar on Sept. 17. More than 150 Green Industry professionals logged on to listen to Bill Hoopes, owner of Grass Roots Training, share nuggets of wisdom culled from his 30 years in the business. Hoopes' initial Webinar gave lawn care pros the sales and service tips they need to grow their top and bottom lines in any economy.

Landscape Management plans to hold monthly LM Contractor Business School Webinars, with speakers rotating among our stable of star columnists:

- ▶ **Bill Hoopes:** Maximizing sales and service, training and development, and employee and customer retention;
- ▶ **Bruce Wilson & Tom Oylar:** Strategic planning and adopting best practices across commercial and residential accounts;
- ▶ **Kevin Kehoe, Frank Ross & Jeff Harkness:** Increasing revenues, profits and total business valuation, and capitalizing on acquisition and divestiture opportunities;
- ▶ **Tyler Whitaker:** Embracing information technology to serve your customers, employees and bottom line better; and
- ▶ **Jeffrey Scott:** Realizing your full potential by participating in peer review groups and implementing systems to strengthen your brand, captivate clients and grow profitably. — *MFVW*