

# ACUTABOVE

GREEN INDUSTRY MAINTENANCE LEADERS » BY DAN JACOBS

Not many CEOs will admit they knew little or nothing about the industry when they took over the reins, but that's the situation **Anil Hiremath** found himself in when he moved from the auto industry to The Groundskeeper six years ago.

"I was just so ready to get into a work environment — a company — where I could really make a difference," Hiremath says. Hiremath came from Toyota, but now uses his business acumen to run this Tucson-based landscaping operation. Here he discusses the issues the company and the industry face.

## TOP TRENDS

» **One-stop shop.** Customers are not just expecting one or two things from a contract provider; they're looking for a full range of services. To be a successful contractor, you can't just say 'we're here to trim and prune, pick up trash and cut the grass.' You've got to really be thorough in what you can cover. Customers don't want to be nickel-and-dimed. You have to find a creative way to package that stuff into one monthly amount that works for you — and works for them.

» **Money vs. relationship.** Bidding methodologies are starting to change. We're put through more online and reverse auctions. They want one price for all of their properties. It's taken relationship out of the equation and, to a certain extent, quality and customer service.

» **Vendor consolidation.** Larger customers are looking to consolidate what they do. They are looking to save money by having consolidation of vendors. They're making us do the work of managing the property vs. having facility managers manage a bunch of vendors.

## TOP OBSTACLES

» **Increased competition.** We're seeing a ton of outsiders coming in. People who are primarily construction or design/build are now getting into maintenance because of the lack of work on their side. It increases competition, and many of these guys don't have a thorough understanding of how to bid, and then perform these



The Groundskeeper's  
Anil Hiremath

## INSIDE INFO

**Company:** The Groundskeeper

**Headquarters:** Tucson, AZ

**Employees:** Nearly 800 full-time

**2009 revenue:** \$36 million

**LM Top 150 Ranking:** No. 25

**Key to being a maintenance leader:** "For us, hands down, it's easily been how we're training and really focusing on our employees with regard to maintenance. There is a specific difference among design/build, construction and even improvements/enhancements. Every new employee has a 30-day routine they've got to go through. We've stuck to our rule of no more than 20% construction. When you really focus on your core competency, that's how you become a maintenance leader. You can't be all things to all people."

maintenance jobs. It's really muddying the water and making it tough for those of us who hang our hats on this shingle.

» **Pricing pressure.** There's the continued downward pricing pressure due to the economy. We've actually seen the price decreases — or at least the rate of the decreases — significantly slowing down. It may have bottomed out, but we don't see that trend reversing itself in the next few months or, even, year.

## TOP OPPORTUNITIES

» **Initiative.** This has been a time to build partnerships with our clients. We are being proactive: 'We know your budgets are down; we know your revenues are down. We're willing to accommodate a lower price. Let's discuss the scope of services.' It's not realistic to say we're going to provide a 15% or 20% price cut and keep the same level of service. The clients who value you are going to want to negotiate. These guys are going to remember that when the cycle turns.

» **Quality people.** There are a lot of talented people out there. We've always wanted to maintain high levels of quality and customer service. We don't have to keep an individual who doesn't want to go that extra mile for the customer because there are people willing to do that. There are a bunch of talented folks looking for opportunities to further their careers.

» **Entrepreneurial spirit.** It's really been beneficial for us to allow our branch managers to be a little bit more entrepreneurial. We're not dictating their book of work in terms of the customer mix. We're really allowing people to say, 'The opportunities here for us are ...' and we're supporting those folks.

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