MYBIGGESTMISTAKE

LESSONS LEARNED THE HARD WAY >>> BY CASEY PAYTON



Joel Korte's business was strong but depended heavily on only a few major accounts. When he lost one of them - and 30% of his business with it - he realized an important lesson.





Joel Korte

OWNER: Joel Korte (now division vice president for Brickman)

COMPANY:

Urban Environments, Inc. (part of Brickman today)

HEADQUARTERS:

Columbus, OH

2001 REVENUE: \$6 million to \$7 million (Urban Environments)

2009 REVENUE: \$687 million (Brickman)

WEB:

www.brickmangroup.com

BEST ADVICE: Never let one client pose too much risk to your business and, as owner, try not to be the only one with the job of selling work and growing the business.

N 2001, BUSINESS was not only strong and stable but growing for Joel Korte, then-owner of Urban Environments, Inc., in Columbus. OH (Korte has since sold his business to Brickman, and is now a divisional vice president at the \$667 million company).

"I was about a \$6-million or \$7-million company at the time, and the business had largely grown with me being the primary salesperson, something not uncommon for this industry," explains Korte. "I'd built relationships with a number of commercial developers in our market. And as long as we continued to do good quality work and remain competitively priced, these developers continued to give us business and, as a result, help us grow our company."

Among Urban Environment's largest clients was a national developer that had offices in not only Columbus but multiple other cities across the country. Urban Environments did about 75% to 85% of that firm's local work in Columbus, making it a big account for Korte. In fact, that account alone brought in 30% of his overall revenue. Everything was going great until Korte had what he says was a big "wake-up call."

"A large national landscape company ended up pursuing this developer on a national basis and the developer made a deal for that landscape company to manage all of its markets," he recalls. "It wasn't something I could even compete with. The deal was that the landscape company took over the work in all of the developer's cities."

Overnight Korte had lost 30% of his revenue — just like that. "What a wake-up call!" he remembers. "I had to ask myself, 'How did I allow one client to become this big of an exposure to my business and not protect myself?' I may not have had all of my eggs in one basket, but I certainly had more eggs in one basket than I should have had."

But Korte says this story has a happy ending, and he learned a valuable lesson. At the time, he was doing 80% to 90% of the sales work for Urban Environments himself. He saw himself as the only person who could sell and grow the business. But the minute he saw that large amount of revenue disappear, he knew he couldn't make up the difference alone.

"I immediately turned to two key individuals in my company who were managing operations at the time," says Korte. "I said, 'Tomorrow you're going to be salespeople." We didn't have a lot of time to respond to this loss of

business. We either had to accept being 30% smaller or get out there right away to replace this lost business with new business."

In the end, Korte was not only able to replace that lost 30%, but grew another 10% on top of it. He savs it was an important moment in his business. "In the past, I always depended on myself, thinking I was the only person who could really sell the business," says Korte. "But it was only a matter of taking the time to teach two other individuals the things I knew about selling to increase our sales. If I can sell \$500,000, and I can get someone else to do what I'm doing, I'm now selling \$1 million."

The lesson is an easy one to grasp, Korte says. "It's simple thinking, but too many business owners struggle to look past themselves," he explains. "That's very limiting."

Korte's advice to landscape business owners: "Don't be afraid to look within your own company and beyond yourself for ways you can grow sales."

The other big moral of the story is to never let one client pose that much risk to business. "You just never know what could happen," Korte warns. "Something may never happen to you, but it could happen to them. They may go out of business or hire a new company — things that are out of your control. You have to be prepared."

The author is a freelance writer with six years of experience covering landscaping.