

ACUTABOVE

GREEN INDUSTRY MAINTENANCE LEADERS » BY DAN JACOBS

George and Gary Pacheco are celebrating their 30th and most challenging year in business. Based in Hayward, CA, **Pacheco Brothers Gardening** has been adjusting to extreme changes in the weather — and the economy. President and CEO **George Pacheco Jr.** shares how their organization is dealing with these troubled times.

TOP TRENDS

» **The move to maintenance.** Everybody in landscape construction is headed toward maintenance. Companies that have 20, 30 years in business and did more construction are moving into maintenance, or they're closing their doors. They find it hard to compete against the big guys. Some have had it. They've saved money, and they're starting to get out of the business.

» **Decreased spending.** Cities aren't spending money because they don't have it to spend. They had to cut back somewhere. They've reduced services or they're not doing extras. More cities are going out to bid. I've re-earned their business, but at a lower rate, so our margin isn't nearly as good. We've had to take 10% to 20% off our pricing just to keep the business. Bottom line, it hurts. You've got to do more volume, and most people don't like to do volume work. It's not worth it. I've never seen it be as bad as it is.

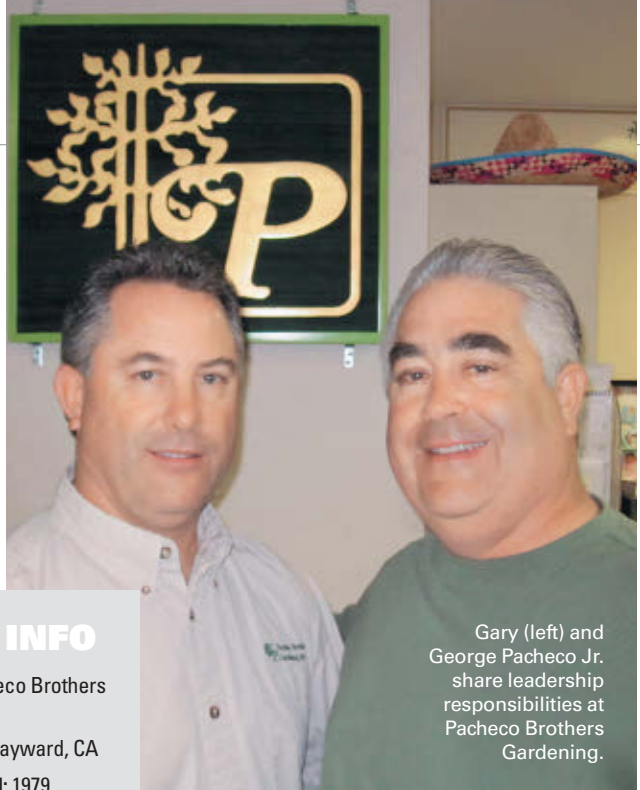
TOP OBSTACLES

» **The local economy.** In California, we were hit with two things: drought and, like everybody in the nation, the economic conditions. The housing market in California has seen a major crunch.

» **Increased competition.** We usually see bids from companies within a 15- to 20-mile radius. Now we're seeing companies from 50 to 100 miles out. If they get a big enough job, they'll put a sub-yard in. There's double, triple the competition now.

TOP OPPORTUNITIES

» **Increase marketing.** We've been very proactive on the marketing end — everything from ads in the local newspaper to updat-



Gary (left) and George Pacheco Jr. share leadership responsibilities at Pacheco Brothers Gardening.

INSIDE INFO

Company: Pacheco Brothers Gardening

Headquarters: Hayward, CA

Year established: 1979

Employees: 125 (approximate)

Annual revenue: \$9 million

Keys to being a Maintenance Leader: Be a leader in the community you reside in. I'm very active in our city government. I'm very active in the local hospital and the chamber of commerce. Be there to help out; back up your community. Do anything they need. We've coached our staff to think and act like community ambassadors.

ing our Web site to investing in search engine optimization to raise our company's online ranking and recognition.

» **Use downtime to improve education.** You have to be up on the certifications — not be just an arborist, but also become water-audit certified and green-certified. We try to emphasize our irrigation certification and what our techs offer — having them conduct water audits and be very proactive with client irrigation systems, for example.

» **Offer flexibility.** When a city's mower goes down, instead of going to the local dealer to fix the mower, we make sure they know they can

call us. At a moment's notice, we can serve as their backup. Most of the cities in the Bay Area know we have extra mowers. They call us and we finish their half-done jobs. It's really worked well for us.

» **Take advantage of changes.** We recently branched out into synthetic sports field cleaning after studying the segment. A lot of cities and schools have three or four synthetic fields. Typically, no one is cleaning those. We believe new regulations are coming that will make it mandatory to clean synthetic sports fields once or twice annually and apply solutions that will protect the artificial turf and players against bacteria. The NCAA and the NFL require it, but it has not hit the high school market yet. It's like deep-cleaning a carpet. We provide synthetic turf cleaning and a bacterial spray that protects against staph infections.

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