

ACUTABOVE

GREEN INDUSTRY MAINTENANCE LEADERS » BY DAN JACOBS

Success can be a little uncomfortable.

“It’s kind of embarrassing in a way when people ask me, ‘How’s business, Randy?’” says **Randy Newhard**, CEO New Way Landscape & Tree Services “I know a lot of people are hurting, and I’m saying, ‘It’s the best year we’ve ever had.’ We had our best year ever in 2009 as far as sales and profits, which beat our best year in 2008.” Now in its 30th year, Newhard offers his insights on the maintenance industry and what he expects the coming years.



CEO Randy Newhard says NewWay is having its best year ever.

TOPTRENDS

» **Water.** Finally people are paying attention to water usage. The rate (in San Diego) has gone up something like 40% in five years. They’re looking at another 14% increase coming this January, if they don’t do it before then. Smart controllers that can automatically adjust to the weather — we sold a lot of those last year.

» **Sustainability.** There has been a move to low-water-usage plants. Reducing turf to where it’s needed. A lot of turf needs to come out. It’s more than just water — sustainability — in the whole landscape. It’s water, plants maintenance, making things more sustainable for the future while still reducing costs. Sustainability is the big word. It used to be “going green.”

» **Fuel.** We have five hybrid vehicles. When gas was up around \$4 a gallon and these vehicles get 47 miles per gallon, it helps reduce the \$400,000 to \$500,000 a year we spend on gas between the mowers and vehicles. Someday, I see mowers and equipment run by solar power.

TOP OBSTACLES

» **Competition.** Price points are probably near the top of the list. We’re probably at five-year-ago pricing. With the vacancies in commercial buildings many businesses have cut back. The HOAs have been hurt by foreclosures; they don’t have the revenue they were budgeting for, so they have to gear down. They’re always looking

INSIDE INFO

Company: New Way Landscape & Tree Services

Headquarters: San Diego

Employees: 205 full-time (plus 30 seasonal)

2009 revenue: \$11.2 million

Key to being a maintenance leader: We have a knowledgeable (long-term) staff. Our people enjoy doing the work, being with clients and educating them. We have fun at work.

We have a couple of different safety programs where the foremen can get significant money, quarterly, based on safety. We put away \$30,000 every year. When there are accidents and people are out on modified duty or lose a day of work, a certain amount of money comes out of that pool. If there’s an accident, \$500 comes out. If somebody negligently damages equipment or if equipment is stolen because they didn’t lock it, money comes out. Any remaining money — up to \$7,500 each quarter — is divided up by the number of foremen in the field.

for the lower price. It’s the same thing for commercial properties, with 20% to 40% vacancies. They need to reduce their expenses.

» **Drought.** We’re in southern California in a drought. One of the hardest things to do is to convince people to go to low-water usage plants. People don’t have money to convert even though it would save them a lot of money going into the future. It’s not just convincing them, it’s finding ways to get their limited financial reserves to re-landscape.

TOP OPPORTUNITIES

» **Sustainability.** Conversions, redoing landscapes. I’ve re-landscaped my whole house. I might have had to water three times a week. Once the low-water use plants are established, I might have to water once a month. We’re trying to get people to understand there are a lot of opportunities there. Many are doing it in stages, which is great because then we can show them the savings.

» **Expansion.** We’re moving into other geographical areas. We’re now in Riverside County — we have two branches there. That’s starting to take off after six, seven years. Coming this summer, we’re moving into Orange County with one branch.

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