



# UP-AND-COMERS

Four landscape companies just shy of our *LM150* rankings' revenue cut-off share their growth stories.

BY **MARTY WHITFORD** EDITORIAL DIRECTOR

**D**IDN'T MAKE OUR *LM150* revenue cut-off? Don't feel bad. The elite list eludes (a.k.a. excludes) more than 99.9% of the country's estimated 272,600 landscape enterprises.

While much can be learned by following the *LM150*, the same can be said about many of the businesses just shy of our rankings' cut-off of \$7.4 million in 2009 revenue. *LM* interviewed the leaders of

four such up-and-comers to get their takes on industry trends, obstacles and opportunities.

## Commercial focus

Brookeville, MD-based McDonnell Landscape rode out 2009's economic storm by increasing sales 6.25% to \$5.1 million. Vice President Jon Fritz attributes the company's \$300,000 revenue gain in 2009 to its concentration on commercial customers.

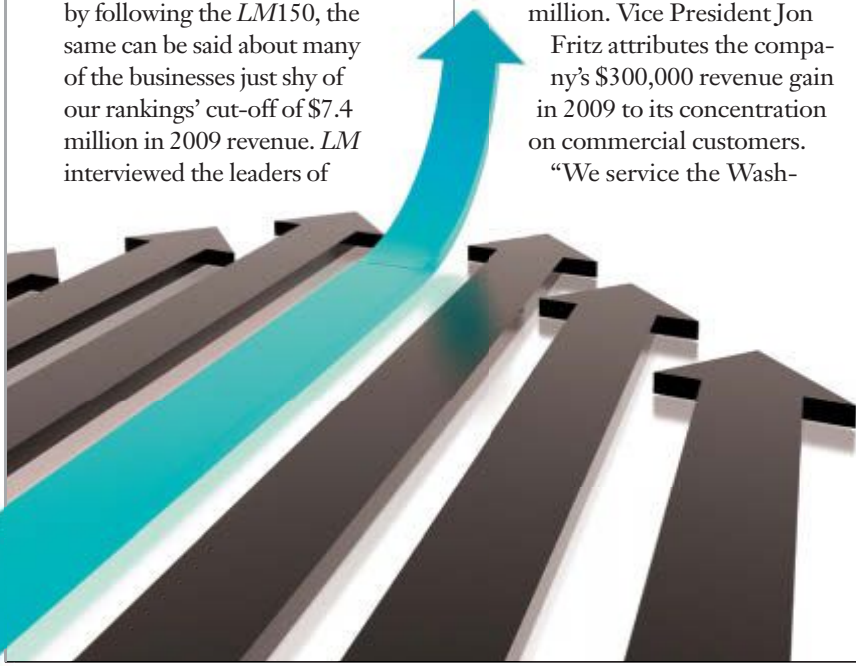
"We service the Wash-

ington, D.C., area, where the recession is not so severe," Fritz says. "We do a lot of work for the federal government and various agencies, and the economic downturn hasn't hit their budgets to quite the degree it has the residential market."

Although McDonnell Landscape wasn't able to increase its 2009 maintenance contract fees, the company hasn't had to reduce its pricing either — a feat many failed to accomplish because of significant pricing pressures from customers and competitors.

McDonnell continuously identifies and captures increased efficiencies, which has helped offset rising fuel, labor and other costs, Fritz says. As a natural extension of that, cross-training is a must.

"All of us in the office go out in the field and pitch in when needed," Fritz says. "When we did the landscape design/build and installation work at Nationals Park in 2008, I was on-site, helping out for the better part of three months. It's a player-coach deal here."



## Recession-proof

Not every landscape business can say it increased sales each of the past three years. Jacksonville, FL-based R&D Landscape & Irrigation can.

R&D increased sales 9% in 2007, 30% in 2008 and another 5% in 2009. Since 2006, R&D has boosted its annual sales almost 50% — from \$2.56 million to \$3.83 million.

“As we’ve started to grow, I’ve stopped wearing so many hats,” says Tom Rowand Jr., R&D’s president. “2008 was the first year we had a dedicated, full-time sales rep, and non-coincidentally, we added \$850,000 in sales that year.”

R&D also reduced its contract fees with homeowner associations (HOAs) 15% to 20% to keep their business.

“Many of these HOAs saw their budgets shrink, and some of their members can’t pay their mortgages, never mind their association fees,” Rowand says. “So, we worked with them, and our suppliers, in turn, worked with us on pricing. We would have surpassed \$4 million in sales in 2008 if it weren’t for the fee cuts with HOAs, but we’ll get there soon enough — and with our client base fully intact.”



## 68% growth in 2009

Most landscape company owners would be happy with a 6.8% revenue gain in 2009. Not William Pyne, owner of Exton, PA-based Dooley-Pyne Landscaping Co., which boosted its annual revenue by 68% in 2009, from \$2.5 million to \$4.2 million.

The company increased its snow removal revenue tenfold to \$725,000 thanks to a few storms and the restructuring of one-third of its snow-removal contracts to a fixed season fee — based on each client’s number and size of properties and the area’s average snowfall the past 25 years — in exchange for three-year service agreements.

In addition to a 25% increase of hardscaping work, Dooley-Pyne also bolstered its landscaping build/installation and maintenance work 50%, to \$2.95 million.

“We’re going gangbusters this year, too,” Pyne says. “We’re on track to do more than \$8 million in sales this year — with a doubling of build/installation, maintenance and snow-removal work, a 20% increase in hardscaping and the launch of our in-house lawn fertilization business.”

Pyne attributed 70% of the

company’s success to a partnership with Lipinski Outdoor Services, a Marlton, NJ-based company among the elite *LM150* (No. 24).

“In an industry where organizations can be so competitive, the good people at Lipinski have gone out of their way to guide us and push us on so many levels,” Pyne says.

The partnership began in 2004, with Dooley-Pyne handling a few local snow-removal jobs for Lipinski. Since, it’s blossomed to include landscape build/installation, maintenance and hardscaping.

“They’re kind of our big brother,” Pyne says. “We’re fortunate to learn from and assist Lipinski — and we’re both growing significantly because of our give-and-take.”

## Best quarter ever

In business 72 quarters (18 years), Pomona, CA-based CentreScapes had its best quarter ever from October to December 2009.

“Last year’s fourth-quarter push more than made up for a slow first nine months,” says Mark Marcus, CentreScapes’ CEO. “We ended the year with a 14% increase in sales.”



CentreScapes

Before the fourth quarter, Marcus couldn't have imagined even matching CentreScapes' 2008 revenue mark of \$4.2 million. But by New Year's Day 2010, CentreScapes had shattered that glass revenue ceiling.

"We service about 25 malls in the Los Angeles area, and many of them apparently were sitting on money until the fourth quarter," Marcus says. "Thanks to many of the malls' 'use it or lose' budget philosophy, we topped our 2008 revenue by \$700,000."

Marcus expects 2010 to be flat because of the loss in June 2009 of maintenance work at five cemeteries.

"It hurt to lose that business — especially since I brought it in and maintained the relationships — but it was low-margin work," Marcus says. "We were making 5% margin, and a national company came in and underbid us by 40%. They can have it at that price." **LM**

## THE NEXT 20

A look at the companies primed to break into the LM150 in 2011

<b>152</b>	<b>Tomlinson Bomberger Lawn Care &amp; Landscape</b>	\$7,276,000
<b>153</b>	<b>Pacheco Brothers Gardening</b>	\$7,100,000
<b>154</b>	<b>Michael Hatcher &amp; Associates</b>	\$6,970,846
<b>155</b>	<b>Commercial Scapes</b>	\$6,880,000*
<b>156</b>	<b>Timberline Landscaping</b>	\$6,700,000
<b>157</b>	<b>Young's</b>	\$6,500,000
<b>158</b>	<b>Bluegrass Lawncare of St. Louis</b>	\$6,324,822
<b>159</b>	<b>Franz Witte Landscape Contracting</b>	\$6,300,000
<b>160</b>	<b>Plantique</b>	\$6,247,666
<b>161</b>	<b>Southview Design</b>	\$6,112,000
<b>162</b>	<b>The Lawn Ranger</b>	\$6,100,000
<b>163</b>	<b>McAdam Landscaping</b>	\$5,919,000
<b>164</b>	<b>Greener Landscaping</b>	\$5,900,000
<b>165</b>	<b>Maffei Landscape Contractors</b>	\$5,782,000
<b>166</b>	<b>The Pattie Group</b>	\$5,718,000
<b>167</b>	<b>Landscape Service Professionals</b>	\$5,714,016
<b>168</b>	<b>Borst Landscape &amp; Design</b>	\$5,620,919
<b>169</b>	<b>B&amp;B Exterminating Co.</b>	\$5,600,000
<b>170</b>	<b>Eastern Land Management</b>	\$5,500,900
<b>171</b>	<b>Fine Earth Landscape</b>	\$5,500,000

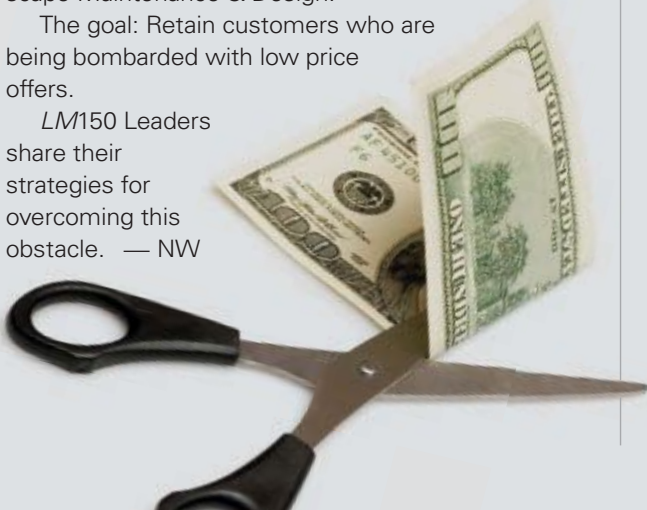
## PRICING PRESSURES

The No. 1 challenge clearly expressed by the LM150 this year is increasingly competitive pressure on service pricing.

"Creating new profitable sales in an environment of extreme downward pricing pressure" is tough, says Joe Gonzalez, CEO of ArtisTree Landscape Maintenance & Design.

The goal: Retain customers who are being bombarded with low price offers.

LM150 Leaders share their strategies for overcoming this obstacle. — NW



"We will continue to show the clients what makes us different. It is not only what you pay for today but what it will cost you over the years for poor execution. We have to show the client how we add value." — **Tim Emick**, Timberline Landscaping



"We will manage operating costs and lower overhead to be more competitive in all parts of our business." — **Joe Gonzalez**



"We plan to overcome this by partnering with our vendors to obtain quality materials for premium pricing." — **Sean Lynam**, business development, Urban Farmer



"We need to educate customers as to what is included in our price and what is possibly missing from the competition's price." — **Rick Christensen**, Teufel Landscape

