

# MYBIGGESTMISTAKE

LESSONS LEARNED THE HARD WAY » BY CASEY PAYTON



## A big boom in business became too much to manage for Texas' Native Land Design.

**W**HEN THE ECONOMY was robust and business was booming in 2006/2007, Native Land Design went from a \$4 million business to a \$10 million one in just two years. "People may think, 'How could almost tripling your business hurt you?' and I thought that too," says Ben Collinsworth, CEO of the Cedar Park, TX-based business. "But it can. We have been taught that growth is good, profit is good, and if you're doing those things right, then everything else will take care of

itself. That is a fallacy in business. Growth can be good when you know what you are getting yourself into and when you develop a model to follow through on the needs of the business. Without a plan, the growth can spin you out of control."

And that's just what happened. As Collinsworth started taking on any and every job that came through the door, he began slipping on payments and wasn't staying on top of accounts. He felt like the company was spending all of its time trying to catch up with the impossibly fast pace they'd set instead of having a solid plan to follow.

"I was steering in the dark," he admits. "Clients were paying bills slower

than I was used to ... stretching payments past the 60 and 90 days. Even if we had \$700,000-plus dollars a month in revenue, that didn't mean we were collecting that in cash each month."

With payroll and taxes to pay, Collinsworth's vendors ended up being the ones to take the hit. "And as we slowly paid vendors, because our bank lines weren't large enough to handle the cash flow deficit, they started limiting our ability to buy," he says. "That put us in a crunch. If you can't pay for the cash flow deficit, you can't perform the work. Even though we were showing a profit, the cash wasn't available until it was received in the office."

Though things seemed to be spiraling out of control, Collinsworth made some wise decisions that not only saved his business but made it much more successful in the long run. First, he let go of his Dallas market — what he admits was an emotional decision losing some of the business he had built up. "I had to cut off a piece of the business to make it more manageable," he says. "If I hadn't made that decision, I'm not sure we'd be here. It allowed me to really concentrate on the other markets we had."

Getting involved with peer groups and soliciting feedback from more experienced business owners was the other decision that

helped turn Collinsworth's predicament around. "Business owners need to realize seeking advice isn't a sign of weakness, it's a sign of strength," he says. "The best landscape business owners I know surround themselves with the smartest people who give them hard feedback. Without those sounding boards, you are destined to make bad decisions from a lack of experience. Find a good base of professional people to bounce ideas off of and make sure you are heeding their warnings."

Collinsworth says there are many changes he would have made early on to prevent the company from growing quicker than he could manage. He would have solicited feedback from his CPA, hired a full-time controller and paid closer attention to his balance sheets. Most importantly, Collinsworth says he wouldn't have taken on as many jobs with the mindset that he'd figure things out as he went along.

"I would have had a more detailed and well-thought-out plan from the start," he says.

Today, Collinsworth takes things at a slower pace. "It can take some hard lumps in business to realize that conquering the world too quickly isn't worth the headache," he says. "That is something that we still practice to this day. Setting budgets for slower growth is now standard in our expectations."

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



Ben Collinsworth

**COMPANY:** Native Land Design  
**CEO:** Ben Collinsworth  
**HEADQUARTERS:** Cedar Park, TX  
**FOUNDED:** 2001  
**EMPLOYEES:** 200-plus  
**2006/2007 REVENUE:** \$4 million  
**2009/2010 REVENUE:** \$10 million-plus  
**WEB:** [www.nativelanddesign.com](http://www.nativelanddesign.com)  
**BEST ADVICE:** Solicit advice from your CPA and industry peers and pay close attention to balance sheets.