



THE *Five* BIGGEST IDEAS OF THE YEAR

Presenting Landscape Management's Ideas Issue – a guide to the thought-provoking trends that, for better or worse, are shaping the industry right now.

BY **NICOLE WISNIEWSKI** EDITOR-IN-CHIEF

DIVERSIFICATION IS YOUR LIFEBOAT

Las Vegas enjoyed an overinflated economy for 15 years. “Even though land prices and construction costs were very high, money was easy to come by so developers flocked there and bought land and built everything from residential to multi-family to commercial properties,” says Donnie Garritano, president, Las Vegas-based D&K Landscape.

Garritano realized once he saw a grocery store on every corner that the bubble would eventually burst, especially when it involved design/build/construction. And it did at the end of 2008/beginning of 2009.

His solution: better balance.

The previously 70% construction company — mostly commercial — is now a 33%/33%/33% split between construction, maintenance and playground equipment sales and

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playground design/build for both commercial and residential customers. The recurring revenue model of maintenance helped cash flow and the new playground equipment sales and design/build division brought profit.

Feel like your drowning in a sea of recession, consumer confidence, low sales and even lower prices and profits?

Jump on the diversification lifeboat like Garritano did. Design/build and maintenance can no longer cut it alone, contractors say. New services are taking over — but not in terms of a percentage of dominance. Maintenance and design/build still rank as the most offered services by landscapers, according to *Landscape Management's* survey.

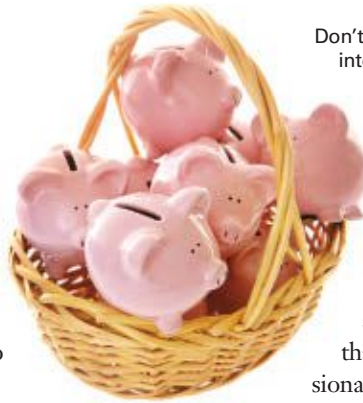
So, what new services are the best to incorporate today? Unfortunately, it's not cut and dry. No one can tell you exactly which services are doing well and which ones aren't overall. It's different based on your region, business model, competition, customer base and strategy. >>



But, as Susan Wilson Solovic points out in ABC News' *Reboot Your Small Business by Reinventing*, "sometimes shaking things up a bit — in a large or small way — can ramp up revenue opportunities. Look at the way you make money now — are there other revenue streams you could create that might be more appealing to your customer base?"

Looking at current trends can give you ideas as to growing customer needs. Senior care, for instance, repeatedly makes lists of best business opportunities because the 77 million Baby Boomer population represents at least 25% of the population, ranging in age from 61 to 79 until at least 2025.

While a landscape business may not feel comfortable pro-



Don't put all your resources into one service basket.

viding senior care services, they are present at seniors' homes or senior care facilities to maintain the landscapes so they could consider adding an errand-running service or incorporate some senior-specific elements into landscape design for those customers, such as ramps or specialized outdoor areas that are wheelchair accessible, industry professionals suggest.

No matter what new services, customers or service repackaging works for you, Wilson Solovic encourages: "Don't be afraid to trying something seemingly unorthodox. Collaborate with a competitor. Target a new industry. Go virtual. Reinventing your business may be just the boost you need to rebound from the recession." **LM**

It's not *easy* being green

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A very famous frog once said, "It's not easy being green."

Maybe he was talking about running a sustainable business in a recession.

The green movement picked up some tremendous steam during the past decade, leaving many business owners stymied over what the word "sustainability" really means, yet racing to keep up. Some offered greener services. Some started using greener equipment. And some improved operations to eliminate waste.

Then they touted these internal sustainable practices and green service offerings in sales and marketing because customers seemed to respond. According to a Gallup survey, 53% of Americans rate the overall quality of the environment as only fair or poor, and 68% worry in some fashion over the state of the environment. Even 22% of Americans admitted they are feeling green guilt for not recycling more or replacing their regular light bulbs with the more energy-efficient variety, though 89% said they recycle something, says the Rechargeable Battery Recycling Corporation's 2008 study.

But then the recession hit. One

year later, only 12% of Americans are feeling the green guilt.

The problem? Going green is not cheap for businesses to implement, particularly if they want to embrace a sustainable culture inside and out. And, for customers, the desire to be green does not always outweigh the price of going green. No demand = no service growth.

"People want to say they are green or be green, but no one wants to invest in green," says John Gibson, president of Denver's Swingle Lawn, Tree & Landscape Care.

"Environmentalism is deeply rooted in the consumer mind-set," explain Paul Flatters and Michael Willmott of Trajectory, a consumer trends forecasting consultancy. "But green consumerism has definitely slowed in the recession. Consumers are cutting back on pricey displays of green credentials but they're ramping up cheap and discreet methods of reducing waste."

For contractors struggling in the recession, balancing dwindling customer demand with their desire to tout greener services and practices is particularly challenging. "I'm not about to switch all my mowers to propane

— I'm not willing to spend the money just yet," says Terry Delany, president of Fayetteville, AR-based GroundServ. "And not one customer is asking me

about my 'green' services. They don't care. They don't even ask me if I have insurance anymore. But they do ask me how cheap my service is. So I have to focus on that. To be truly green is just too expensive to do right now."

But, Flatters and Willmott predict, the green trend "will likely accelerate again in three to five years." So for those who believe in sustainability, don't give up on it just yet.

"It's not just a phase," agrees David Snodgrass, president of Portland's Dennis' 7 Dees. "It's a trend that will be a part of everyday business." **LM**

