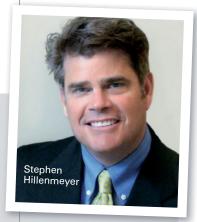# MYBIGGESTMISTAKE

LESSONS LEARNED THE HARD WAY »» **BY CASEY PAYTON**

>> Though it's been in the family for decades, getting out of the nursery business was the right decision for Stephen Hillenmeyer.

STEPHEN HILLENMEYER **SAYS** getting out of the nursery business and focusing his energy on lawn care was the right move. Though it meant a huge shift in the company's business model, the president of Stephen Hillenmeyer Landscape Services says the decision was easy.

Hillenmeyer acquired a Weed Man franchise in 2004, and he's shifted the entire business to focus largely on maintenance. Given the downturn in the economy, he says it was a wise move.

Hillenmeyer's decision was gutsy considering his family, through five generations, operated one of the oldest and most respected nursery operations in the country.

One owner, tighter focus
Over the years, Hillenmeyer had been in business with his two brothers (he's the youngest of nine siblings, including six sisters). But in time he bought them out. Today, it's just him running the show.

Hillenmeyer says the change allowed him to focus not only on what he's good at, but what made the most business sense — maintenance.

"It's important to look at the best business strategy for today, not what the strategy was 10

or 20 years ago," he says. "Things have changed dramatically. We'd been in the retail business and had a growing nursery, but from a business standpoint, I strongly felt it made more sense to look for more reoccurring revenue.

"I found that came from the maintenance side of the business. So that was the impetus for this big change — moving more toward maintenance and using landscape design as a complement to that."

More specialized now
"Even when the economy is bad, we're finding people still want to have their grass mowed and taken care of," says Hillenmeyer. "But those new installation jobs have come to a screeching halt. While we used to do a lot of larger projects, our entire focus has changed, and that's allowed us to withstand the downturn in the market."

Hillenmeyer says he's learned being leaner and specialized can be better than being big but unfocused.

"It's hard to be good at multiple things," he says. "If you decide you're going to not only do landscape maintenance but also irrigation, lighting, patios, decks, and more, you may find that you've become so diluted in expertise that you aren't truly an expert at all."

Focus on competencies
"I'm not saying to put all your eggs in one basket — some diversification is important. But reducing services to really concentrate on a core business is a smart move."

Hillenmeyer says he was able to make these changes without decreasing overall revenue.

"We decreased the amount of services we offered," he says. "Therefore in some cases we did less revenue. However, because we were more efficient we actually became more profitable.

"If you're doing so many things you might not be able to carefully watch what you're doing. Different segments of the market have different margins. A 40% margin in one market might be great but 40% in another could be a disaster. Now that we're in fewer markets we're able to focus on excelling in them."

Hillenmeyer says focus and having a plan is vital to success today.

"You can't stop marketing or advertising to your customers. You still have to maintain your game plan.

"Of course, if you're trying to be all things to all people, that's going to be hard. In really focusing your business you have less to concentrate on and are more able to react to what the market's like and continue to succeed — even when times are tough."

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

Stephen Hillenmeyer

COMPANY: Stephen Hillenmeyer Landscape Services (and Weed Man franchise)

PRESIDENT: Stephen Hillenmeyer

HEADQUARTERS: Lexington, KY

SERVICE MIX: 20% landscape design/installation; 30% commercial maintenance; 30% equine maintenance; 20% Weed Man lawn care franchise

NUMBER OF EMPLOYEES: 60 full-time; 160 in peak season

2010 REVENUE: $8 million