

# MY BIGGEST MISTAKE

LESSONS LEARNED THE HARD WAY » BY CASEY PAYTON



Evaluate relationships up front, so they don't cost you in the end.



Dave Tollefson (blue shirt, seated), president of Urban Farmer, and Sean Lynam, business development manager (third from right), with the rest of the management team.

**COMPANY:** Urban Farmer Inc.

**HEADQUARTERS:** Thornton, CO

**SERVICES:** Landscape irrigation, installation, seeding, erosion control, etc., 79%; design/build 5%; maintenance 16%

**NUMBER OF EMPLOYEES:** 300 (100 year-round)

**2010 REVENUE:** \$18 million

**2011 REVENUE PROJECTION:** \$19 million

**A**FTER DEALING WITH a developer that was constantly raising issues,

Sean Lynam, business development manager of Colorado-based Urban Farmer Inc., says he's learned that when working with developers — particularly homebuilders in this tough housing market — it's important to evaluate the job and make sure it's something you feel comfortable with before diving in.

In a time when so many are eager for work and jump on almost any job opportunity, this can be challenging. After all, it may mean turning work away. But Lynam says that getting involved in a poor working relationship can hurt a business significantly.

"We now try to evaluate each job as its own entity and look at who it's coming from, what their background is, and what our history is with them," says Lynam. "We ask questions like 'What is your long-term plan?' or 'What will happen if you don't sell

20 houses or don't lease out this office park — are you still going to want this same level of work?' We've learned the importance of being upfront with *everything* that might come up in the future."

Knowing where the money's coming from and how you're going to get paid should also be part of that upfront research, adds Lynam.

"Ask where their funding is coming from and what factors come into play before you get paid," he advises. "When you ask those questions, make sure they're being open with their responses. If they say 'Don't worry about it,' or 'We're a large company so there won't be any issues,' those are red flags that there could be issues that arise."

After having these frank conversations, Lynam says Urban Farmer decides whether going forward would be a good business move. Each contract is evaluated individually.

"Everyone wants to move forward so they can make progress and make money," he says. "If we don't think we can do that with a particular job, it doesn't make sense to take it just to get work."

Lynam says that a bad experience with a developer brought the importance of this upfront due diligence to light. "The developer was constantly questioning what was installed or where we

installed it," remembers Lynam. "Then they'd say they didn't want to pay and it really soured our relationship. We ended up canceling multiple contracts with them. We felt like every day was a battle, and we weren't getting anything good out of the relationship. Today, by asking the right questions about possible scenarios, we try to prevent those situations from happening in the first place."

"Attempting to foresee such problems is important, as it's certainly not always easy to get out of contracts," says Lynam.

"If you're stuck in a bad contract, sometimes you just need to ride it out and take lessons from it — so you know how to better evaluate the next job and prevent that situation from happening again," he says.

Another lesson learned from some formerly challenging business relationships was that doing more work in-house was a good fit for Urban Farmer.

"Now we're more careful about evaluating what we're bidding and who we're bidding for," says Lynam. "We're trying to work good relationships. We want to grow with the philosophy of quality over quantity, and letting it be the quality work that brings more quantity."

In the end, it comes down to being cognizant about who you're doing work for, what kind of work you want to do.

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