

## Appliance repair

A company drops some services to capitalize on others.

**R**GS OPENED SHOP in 1983, providing services in commercial and apartment landscape maintenance, renovation and tree work in Southern California. Half of the company's revenues are derived from the apartment sector, with the remaining coming from commercial, residential, retail, homeowners association, resort and hospital work.

"When the company first started back in the 1980s, the owner's idea was initially to try to be able to create a captive client group, and recognizing in the apartment industry there is a lot of different needs apartments have," says Vice President Spencer Arnold. "If they can go to one company rather than having to go to a lot of different companies, there's an economy there for them."

While one strategy in making it through a recession is seeking revenue streams, another is to drop services no longer producing income. At one time, RGS was renting appliances to apartment dwellers.

"Because of the downturn, a lot of the apartment own-

ers started offering appliances as a perk to get people to lease apartments," says Arnold.

RGS maintains an appliance repair business, and also has a laundry facility management business in which the company takes care of the laundry equipment in their laundry rooms — including collection, processing, appliance repair and maintenance.

"Our goal is to focus on what we do best; that was largely why we got out of the rental business," Arnold says. "We decided to focus all of our attention and resources on landscape maintenance, arbor care and landscape construction."

A new revenue stream is plant health care.

"It saves money," he points out. "Apartment owners are looking for ways to reduce their liability. People defer maintenance on their tree business, and



Half of RGS's revenue stems from its apartment sector.

usually when we go out pruning, they say they have only so many dollars to spend, and do a certain amount of trees and defer maintenance.

"If they continue to defer and there's a big wind event, it generally leads to car and building damage and someone gets injured. The goal is to get people to take an approach that's proactive rather than reactive, so instead of having to go out and cut down a bunch of trees, if we can fertilize them, we can treat them — then they're not deforesting their urban forest."

Because the biggest investment in debt and capital is tied up in the company's fleet, RGS is focused on maintaining it to get the most mileage out of the vehicles.

The company also focuses on a safety program for its employee base, which averages 180.

"We've spent a lot of time reinventing our safety program," Arnold says. "We're focusing hard on trying to keep our employees safe and healthy, and focusing on the areas that can have some long-term impact on the business."

Training is another strategy RGS employs to stay successful in a competitive market. Basic training in safety practices, the company's doctrine and philosophy is followed by more specialized training in one of the service sectors of trees, appliance repair, landscape maintenance or enhancement department. Employees also are cross-trained.

"Coupling training with benefits that are slightly better than in the market is the key to reducing our turnover," says Arnold. "When the guys start to understand we're offering a career, and it's not something they move to another place for 25 cents for, then we've got a better employee for the RGS family."

The author is a freelance journalist with 20 years' experience writing for the Green Industry. Contact her at [brzowski.carol@gmail.com](mailto:brzowski.carol@gmail.com).



### » SERVICE SNAPSHOT

**COMPANY:** RGS Services

**HEADQUARTERS:** Anaheim, CA

**YEAR FOUNDED:** 1983

**NUMBER OF EMPLOYEES:** 200-plus

**2010 REVENUE:** \$12,500,000

**CLIENTELE:** 85% commercial; 10% residential; 5% government

**SERVICES:** Landscape maintenance, tree care, laundry, appliance/HVAC