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To keep profits streaming in, 3 landscape companies are diversifying their services and reaping the rewards.

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Since 2008, landscape companies have struggled to find ways to make a profit. Some have gone the sustainability route, others have focused on customer service. These three companies strengthened their businesses by recognizing a need and diversifying their services accordingly.

Environmental work

When the folks at TBG Landscape in Brooklin, ON do things, it's on a grand scale. That's because for TBG, which specializes in design/build projects, a typical project is worth \$250,000.

Given the huge scope and cost of those projects, once the economy tanked in 2008, so did TBG's client pool.

Thankfully, "we had two very large projects in 2007 that went through 2011," says TBG President Mark Bradley. "As they came to an end, we tried to look at ways to maintain the size of the business."

Company executives analyzed the marketplace and asked themselves how they could stay profitable. They found the answer in erosion control and environmental work.

"Erosion control was a natural transition for us," Bradley says. "In our design/build work, we've been



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TBG Landscape workers engaged in a wetlands restoration project (below); The TBG team has found success in its erosion control work.



very focused on sustainable landscape techniques. So erosion control was kind of a natural fit for us.”

The company began its foray into erosion control in 2009 with the purchase of a blower truck. Since then, TBG has picked up substantial erosion control work for private landowners, conservation groups and government properties, also delving into wetlands conservation projects.

“With the clean water movement, there’s been a lot more government investment,” Bradley says. “So we find that the erosion control and wetlands restoration business have worked well for us.”

Since TBG began advertising its erosion control services a few years ago, its work volume

has increased, Bradley says. The company saw an opportunity in Ontario’s emerging environmental movement and in “the fact that the government is changing things at a very rapid pace in terms of compliance for new buildings,” he adds.

In response to the rising Green Movement, TBG has taken its erosion control business a step higher, now even pumping soil onto green roofs.

“The way the government’s changing the laws, there’s an opportunity, and not a lot of com-

petition,” Bradley says.

TBG began its huge green efforts in 2007, 10 years after the company launched.

“We asked, ‘What could we do to eliminate as much cost as possible in our material purchasing?’” Bradley explains.

What they could do, it turns out, was a lot. In 2007, TBG started its sustainable initiative by planting 40 acres of nursery stock to grow its own plant material. That was Step 1.

Then in 2008, TBG purchased a soil manufacturing plant. In 2009, the company added its own trucking department, purchasing five tractor-trailers to move all the soil it was making.

Its trucking business also enables it to move building materials and natural stone — about the only things it buys from a middle man — from as far as the West Coast.

By using its own products, TBG saves a lot of money. In 2007, Bradley says, TBG spent 28% of its budget on landscape materials. In 2011, that number fell to 17%. That breaks down to a savings of \$1.7 million, Bradley says.

“What I feel that’s happened is, because over the past five years we’ve invested in the integration, it’s allowed us to introduce new services. Because we have the capacity and capability to do it,” Bradley says.

Thanks to its slow but steady self-sustaining efforts over the last five years, in 2011 TBG saw a substantial return on its erosion control investment. “In 2011, it generated close to \$3 million,” Bradley says. “It was a big year for it, and that space is climbing rapidly in 2012.”

TBG traditionally has subcon-

tracted out its soil remediation work, but now the company has begun exploring soil remediation technology, hoping eventually to do that work itself.

TBG aspires to be the most profitable landscape company in the business, Bradley says.

"We really only started the company in 1997, and we're competing with companies that have been in business for 40 or 50 years," he says. "I felt the environmental section was a way to get ourselves on the map."

Rental and military markets

While TBG was focusing on erosion control and wetlands work in Ontario, Hilton Head, SC-based The Greenery Inc. was diversifying its business in other ways.

Before the recession hit, The Greenery's construction division was thriving, propelling the company's maintenance division. But "when that construction business all but dried up, we had to find a

The Greenery Inc. team (right) found the Savannah, GA rental market (below) to be profitable in 2011.



new way to drive our maintenance business," says The Greenery President Lee Edwards.

"We diversified a bit. We went after government and municipal contracts in our Beaufort (South Carolina) market, and that enabled us to dedicate more people over there," Edwards says.

Indeed, The Greenery has experienced growth in its Bluffton, Hardeeville and Beaufort, South Carolina markets over the last couple years.

But The Greenery wasn't giving the same attention to its Savannah, GA market, which it long has serviced from its Hardeeville, SC branch.

That changed in 2011, when the company decided to more aggressively pursue Savannah commercial business. Now,

Edwards says, "in the past year most growth has been in Savannah. The volume of work we're doing there has doubled."

The Greenery's skyrocketing volume of Savannah work will lead it to open a full branch there in 2013. No longer will Savannah be served from The Greenery's Hardeeville branch.

The commercial work The Greenery has been engaged in in Savannah centers on apartment complexes and property owners associations (POAs).

That's a marked change from the high-end commercial work The Greenery is accustomed to.

"In the past, we didn't go after rental places because it was the lower end of the market," Edwards says, "but nowadays, the rental market is really hot. That's a big business right now."

More and more, apartment dwellers are taking pride in the appearance of their abodes, "so some of those apartment complexes are stepping up their quality," Edwards says, "and one way to do that

is through landscaping."

The Greenery's success in Savannah resulted from the company's efforts in 2010 and 2011 to network with residents there. "It takes a long time," Edwards says. "You can't just go in there and say, 'We want to do your landscaping' and have them hire you right then and there. It takes work."

Just as The Greenery turned to its Savannah commercial market in 2011, so too did it find success in its military

Dennis' 7 Dees President David Snodgrass (center) with his brothers Drew (left) and Dean (right)



landscaping contracts.

"We basically decided we wanted to get involved in military work, and that's a lot more difficult (to break into)," says Edwards. "There are a lot of hoops you have to jump through. So we decided to talk to Gary Mazzanna instead of trying to tackle that ourselves."

Gary Mazzanna owned Mazzanna's Lawn & Landscape, based in Beaufort, SC. He had some military contracts, and while he was looking for a way out of the business, The Greenery was looking for a way in. The cultures matched. In 2011, The Greenery acquired Mazzanna's and gained a foothold in the military landscaping market.

The Greenery brought Gary Mazzanna into the fold at the company. Being blessed with his expertise "meant it was not as steep a learning curve as it would have been," Edwards says. "Military work is very different from working in the private sector."

Three military bases are located near The Greenery's headquarters on Hilton Head Island, including Parris Island, SC, home to a U.S. Marine Corps training facility; a Marine Corps air station near Beaufort; and Hunter Army Airfield in Savannah. The Greenery has housing property maintenance contracts at two of them and hopes to land the third.

"Taking advantage of what's in the market is our goal — and that happens to be a more diverse marketplace right now," Edwards says. "In the long run, I think it will be good that we've diversified."

Ramped up self-promotion

At Dennis' 7 Dees in Portland, OR, diversifying begins at home. The company's not offering any new services, just better promoting those it already has. In 2011, the company turned to its staff for help in serving customers as a team, instead of as individual departments. As a result, the company was able to better advertise to customers all the services it offers, and even facilitate those relationships to bring in new business.

"We're talking to everybody about the big picture," says company president David Snodgrass, who runs the company with his brothers Dean and Drew. "It's not about just a single department."

Between the company's garden centers and design/build and maintenance divisions, there's plenty of room for staff members to refer one another to their respective clients. "Right now, we're able to steer customers to different services we provide, and we're doing that more effectively

than we ever have before," Snodgrass says.

In 2011, company employees are more focused than ever on referring each other. "We operate more as a global company, and that is a definite shift," Snodgrass says.

Through working together across all departments, "you have a lot more opportunity, and you're able to service the customer regardless of their needs," he adds.

When the economy went under in 2008, like other landscapers, Dennis' 7 Dees was forced to look at ways to capitalize on the business it already had.

"It's been three years of thinking it was going to change anytime, and it didn't," says Snodgrass. "So we just thought, 'OK, we need to figure this out for ourselves. And it's our diversity that we have fallen back on. Going forward, even if the economy improves, we'll go into that with strength internally and externally. We'll have renewed strength and momentum.'"

Having its workers promote the company's services through their own work has boosted morale among employees. "I think people understand the bigger picture," Snodgrass says, "and the more they're able to participate in the company, that in itself is highly motivating."

Thanks to that motivation, Dennis' 7 Dees is ahead of its 2012 projections and is finding renewed success in its maintenance division, having recently landed some large accounts.

"I'm optimistic that this is the year we've been waiting for," says Snodgrass. **LM**