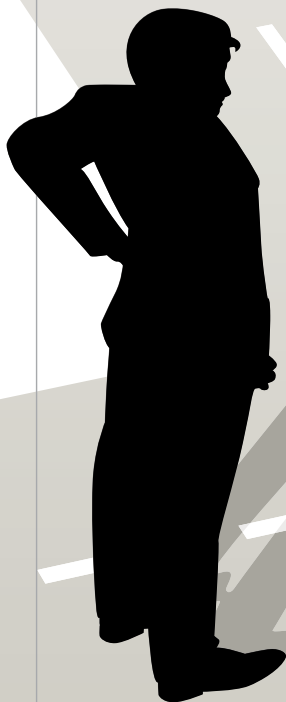


AT A CROSSROADS

Most business owners look to grow their businesses. But Tony Pope knew that Ecoscape's future success required making his enterprise considerably smaller.

BY **DAN JACOBS** EDITOR-IN-CHIEF



In 2007, Ecoscape Solutions Group was a \$36.6 million a year business and ranked 28th on the LM150. This year the company posted revenues of just \$6.7 million and didn't even make the list.

And owner Tony Pope is just fine with that. It wasn't the economy that forced such a change (well it wasn't only the economy). In fact, Pope intentionally shrank his company to ensure its survival.

Though Ecoscape offered services in a number of markets, the Huntersville, NC-based company was heavily tied to the housing market. And when that bubble burst, "we were faced with tough decisions, just like other business owners," Pope says. "It wasn't a decision that was made overnight."

Like many companies unprepared for the economic malaise, Pope's company saw a downturn in revenue by the end of 2008. At first he thought he could simply wait it out.

"A good part of 2009 we were still numb that it was going to last this long," Pope says. "We were still just marching forward. We still hadn't closed any of our branches down. In the fall of '09 is when it started sinking in. That's when we realized this is not going to turn around as fast as we thought it was."

The first half of 2008 the company was exceeding expectations.

"It was the biggest six months we ever had," Pope says. "In July 2008, it's like the faucet just shut off with home building."

With a large portion of the company's revenue tied



to national homebuilders, Ecoscape was deeply affected.

“We had other revenue pipelines, but construction homebuilding was such a large portion of it, it really started affecting our business,” Pope says. The company ended up closing offices in Atlanta, GA and Hilton Head, SC.

Green Industry business consultants often suggest maintaining a 60/40 or 70/30 maintenance-to-construction ratio, Pope says. His company simply was too heavily weighted to construction, which was fine until the housing bubble burst in mid-2008.

Making the decision

Pope realized in late 2009 that the company couldn't continue down the same wait-and-see path.

“In the summer of 2010, I felt like my partner and I were miles apart on where we thought the company needed to be going, in what direction,” Pope says. “We were still trying to be everything to everybody.”

Pope wanted to restructure the company and his partner didn't.

“To get us to that healthy state, we needed to carve off quite a bit of our construction,” he says. “We were still working for some homebuilders. The revenue wasn't healthy. The margins were so low — one tiny mistake and we had major losses. You spend all of your attention trying to fix that when we weren't focused on what we needed to be focused on — growing our lawn maintenance business.”

Pope knew that to survive there needed to be some major changes.

“I spent the better part of the end of the summer of 2010 having discussions with my spouse and some advisors,” he recalls. “I approached my partner in September of 2010 and told him I thought it was best if we weren't partners anymore.”

Over the next six months, the pair devised a plan to carve off portions of the business that each was passionate about. “That allowed both of us to focus more narrowly on what our niche was,” Pope says.

Beginning in April 2010, Pope began to reinvent Ecoscape Solutions Group.

He sold 70 trucks and more than 30 trailers and did not renew the lease on 45 skid steers. Pope also needed to renegotiate the relationships with his banks and vendors. Banks and vendors view a \$30 million

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150 during the peak of the season.

“Morale was as low as I'd ever seen my entire time being in the business,” Pope says. “Some (employees) were leaving on their own accord. Quite a few of them we had to

let go just because we didn't have anything for them to do. Some of them we were able to transfer them to other parts of the business where we were trying to grow the business.”

Pope credits his team of key employees for making the transition successful. They trusted Pope enough to guide them through Ecoscape's reinvention.

“I'm really thankful that I have a lot of employees who were with me for many years are still with me today,” he says. “They saw it through. They stuck with me when they didn't know where we were going.”

There was one other person who was key to the successful transition, Pope's wife.

“She saw how unhappy I was,” he says. “It was more a conversation of what's good for your personal health, your happiness.” His wife knew the stress he was under, he adds. “She trusted me.”

The future

Pope plans to get back to the \$30 million-range one day, but growth won't come with the 20% to 30% spikes tied to residential construction. Future increased revenue will come from a combination of organic growth and acquisition.

“We will do it with discipline,” Pope says. “We'll do it with that 60/40, 70/30 rule in mind. We won't let the greed overtake our strategy. I'm not going to go back and beat myself up, because it was a great ride, and I learned a lot from it. But now that I've been through that, I will not let my greed or lack of discipline outdo the business plan.”

Pope expects to end 2012 at around \$8 million, which will likely put him back on the LM150 next year.

“The key word that I discussed many times with my leaders and my wife was ‘acceptance,’” Pope says. “Let's accept what we have; let's be happy. At the end of the day, an \$8 million company is a very respectable company in our industry. Just move on.” **LM**

company very differently than they do a \$7 million one.

There were layoffs, and some employees left because they “saw the writing on the wall.” The company went from about 450 employees to