



## BEST PRACTICES

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# The power of peer groups

**A**re peer groups for you? They're not for everyone, but business owners should consider them. At a recent peer group meeting, an outside speaker remarked that not all industries are willing to share best practices among companies. The fact that contractors from different regional markets in the landscape industry can freely share confidential information and commit to transparency and best practices is unique and powerful.

Openness can be a strategic advantage if the member companies of a peer group are serious about improving their organizations. The power comes from not only discussing financials but also sharing and exploring internal struggles and problems.

In good peer group formats, individual owners act as an outside board of directors to each other. Opportunities for formal and informal exchanges extend from the business to personal and social interests. The members share ideas, connect through shared interest and commit to helping each other by participating in all policy decisions that impact growth. This places a responsibility on the owners to take ownership, not only in their own businesses, but also in the other member companies' success. Owners are able to challenge each other to get out of their comfort zones—not always an easy task.

The most common issues holding companies back are challenges around people and performance. All companies have people who are not

right for the jobs they're in. These are the toughest problems for owners to deal with because owners are mostly loyal to their employees, even to the extent they overlook performance issues in favor of loyalty. This is where the other owners as a group are able to assess the issues objectively and help owners realize that a change needs to be made.

Some groups invite key staff to share best practices by job function. For example, salespeople from member companies may meet to discuss marketing and sales. This activity generates empowerment and a willingness to accept and implement ideas owners bring back from the peer group sessions.

There are other types of peer groups that can benefit owners. Most cities have tech or general business groups made up of local owners or CEOs from different industries. These groups match executives from the same market with executives in non-competing companies. Some owners belong to both an industry peer group and an executive group.

Without a confidential peer group or some type of support, owners can be isolated. They are left alone to struggle and have no one to share their thoughts with. Many owners find that having the chance to bounce ideas off of each other is one of the biggest benefits to peer groups.

Peer groups can lose effectiveness if there's not a level of accountability associated with membership. Peer groups that facilitate require each company to make commitments and next steps to improve. They then have to report on those commitments at the next meeting.

Collaborating on problems affecting not only the member companies, but the entire industry, is another huge benefit. Brainstorming solutions to these issues can be a competitive advantage to the member companies.

The best part? Great friendships formed from the connections established and the access and support members gain extends beyond the peer group meetings, especially if the group includes some outside activities from time to time.

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