PEER GROUP CONFIDENTIAL

Two facilitators give us the inside story about peer group dynamics.

BY MARISA PALMIERI

Green Industry consultants **Bruce Wilson** and **Jeffrey Scott** each have been involved with peer groups for more than a decade. We tapped their expertise to learn some do's and don'ts when it comes to peer group involvement.

What would you say is the No. 1 benefit of being in a Green Industry peer group?

BW: The members are with people that have the exact same types of issues. Everybody struggles with the same ones. The bigger issues larger companies struggle with revolve around people. What they like about it is, as they start to work together longer, the level of trust goes up. They really value the advice they get. Sometimes it's hard to hear, but you know it's the truth.

JS: Everybody gets something different out of the group. They all join for different reasons. Some join because they're lonely. From an executive point of view, they have no one to talk to. Others join for different reasons, but each has their own way they need help. They all get similar value.

Do people ever drop out? If so, why?

BW: Yes, it happens and the reason varies. If it's not going to work out, it's usually because of time and effort. Another reason some drop out is they sell their businesses.

JS: I've had a few dropouts; usually they're too small and it's not the right point in their business life. Some get into it and realize they don't enjoy the group dynamic, and they didn't realize that until they joined.

What's the ideal number of companies for a Green Industry peer group?

BW: I think below five is not enough. Seven is the max. We try to stay at six.

JS: When I was in a [non-industry specific] peer group, it had 14 people in it. Many people think smaller is better, and it starts off being better, but it ends up being worse. It should be large enough so, over time, you get refreshing ideas. I'd put that number up around nine or 10.

Should all members have about the same level of revenue or is it OK to have a range?

BW: You have to have a range. It's more about what's the owner's leadership and business acumen than the size of the business. There are some smaller companies that act like big companies and vice versa. It's hard because I think most owners think, "I want to be with someone bigger than me because I want to be bigger." Or if you're the big guy, "What am I going to learn from the small guy?" If that's your attitude, it will be very hard to get into the group.

JS: They should be within similar ranges. It depends a little on the business, but under \$1 million, \$1 million to \$5 million and larger are good ranges.

Should all companies be involved in the same service segment and have the same customer mix or is it OK to have diversity?

BW: Actually, it works both ways. For instance, I have one group called Higher Ground. When they formed they had two California companies and four companies in the snow belt. They felt the two California companies were so different because they didn't have H-2B issues and didn't have the issue of rebuilding their workforce from ground zero every spring, so they felt they should all be snow and maintenance companies. The California companies left the group, and that has worked really well for them.

But another group, Next Level, is really diverse. They're all different, but they're all good businessmen and share the same values with respect to how they treat employees and customers.

JS: Diversity is very important in the group. I look for unique personalities that have nothing to do with what business they're in, people that are open to sharing and learning. Some groups are very diverse and some are very focused. Both work equally well. The problem with a focused group is people's businesses change all the time in the landscape industry. People get in and out of niches all the time.

What's the sweet spot for the right number of meetings per year?

BW: Two to three in person. Four is too much. It's just not enough time between the meetings to really get anything done. It's really helpful to have regular calls between the meetings, even if only for an hour to stay in touch.

JS: I do a mix. I have two in person and four more by phone. But we do more than that if somebody needs help. We have a concept called the Tiger Team, and a few members will get together ad hoc to help a person work through an issue.

Should the peer group just include owners or should it include other company executives, as well?

BW: We sometimes do both where we have owners and their executives for one day and just the executives for the other day. (For more on involving other staff members, see page 28.)

JS: It depends. My experience is many people love coming where it's just the owner because we get down to the underlying issues that affect the business to make more money and be more successful. If everyone brought their No. 2 and No. 3 person, it would be more of an operational discussion, and that's not what it's meant for. There are exceptions where some groups say, go ahead and bring an employee. But most say, "I'm going to use this just for me because it's really powerful."

You've got options

Green Industry peer groups provide members with a bevy of benefits, but there are alternatives. Here are a few options for professionals looking for different levels of support.

Trade associations

For a minimal amount of money (usually a few hundred dollars or less per year), you can join a trade association. But joining isn't enough. Get involved, serve on committees, attend functions and see how associations can serve as ad hoc peer groups.

Pro: Inexpensive / *Con:* No accountability

Franchises

For some franchise owners, buying into the system is as much about the network of other operators you gain access to as it is about the name on the truck and the support from corporate.

Pro: Extensive support beyond peer access / *Con:* Commitment and expense

Business systems providers

Rather than investing in a franchise, using a consultant or buying software, an alternative in the Green Industry is an organization like LandOpt, which offers companies the opportunity to license a business operating system that incorporates components of technology, processes, systems and professional development—plus access to the group's other licensees as a support network.

Pro: Extensive support beyond peer access / *Con:* Commitment and expense

Non-industry-specific peer groups

Peer advisory groups like Vistage, Inner Circle and The Alternative Board match up executives from local or regional non-competing businesses to help each other meet difficult goals and plan for the future. They often meet one day a month and may cost more than $10,000 a year.

Pro: Guidance and accountability; online options / *Con:* Expense

Can peer groups that are member-driven and don't use a consultant/facilitator work?

BW: I would say it's better to have a facilitator, but it's probably not impossible not to have one. Those things do exist. I don't think the cost for a facilitator is what defines whether or not they have one. When you split it by six companies, it's not very much. The cost is more getting together, the airfare, etc.

Actually, I have a group called G2. The members were meeting by themselves. I think they determined it became too social and they needed a facilitator, so they came to me and made it a formal group again.

JS: Of course it could work, and you should be doing that anyway to some extent. The question is, do you get enough value out of it. What tends to happen is the group has a short lifespan. LM