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inch and up, were quite pricey.

"Certain trees such as Japanese maples are always a hot item, but again it's more of a cost factor because of the

Half of the landscapers surveyed expect their overall prices to increase in 1997.

periods they take to grow," says Garry Ward, owner of Tropical Decor Inc., located in Cincinnati.

Some stone products have risen as much as 30 percent. Equipment costs have increased by about 10 or 15



Richards: efficient supply operations, product applications.

percent as a result of conforming to noise and pollution regulations.

Other materials that incurred price hikes include irri-



Canon: high demand, high cost of plant materials.

gation materials, PVC and wood, and some hardscape products—by a few percent. Insecticides and herbicides have also increased six or seven percent.

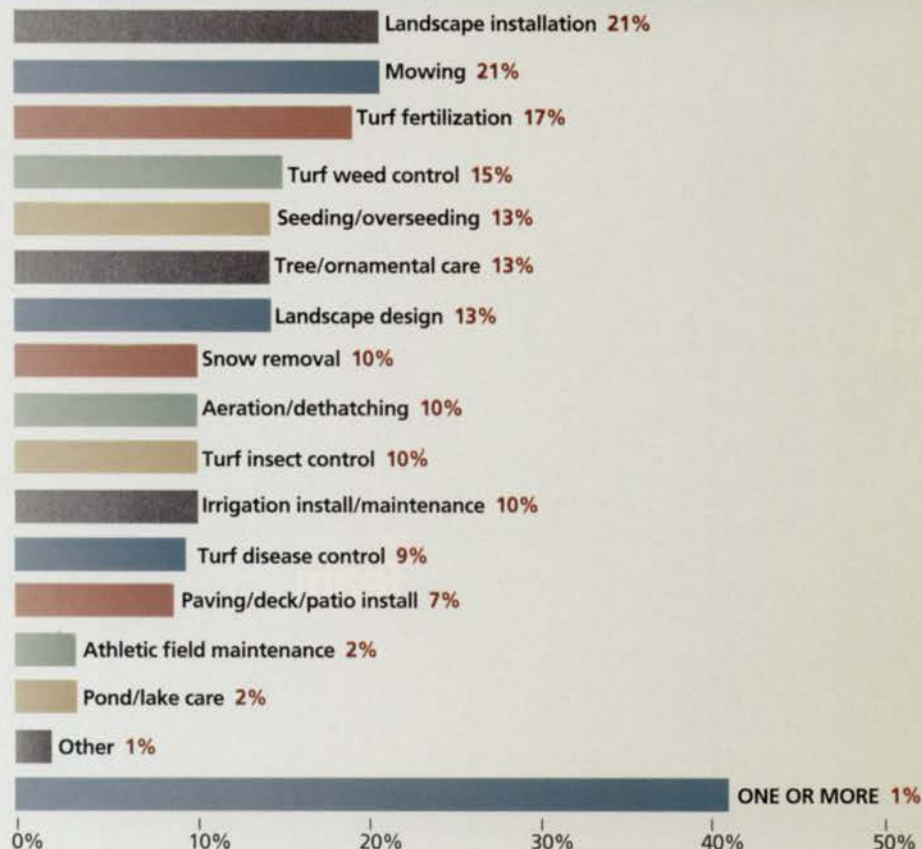
When to pass cost along

Half of the landscapers surveyed expect their overall prices to increase in 1997. They have found that when their prices increase the easiest thing to do is to pass the cost along to the customer. Some were unable to pass cost along to customers due to the competitive nature of their market. In some cases, those that talked to LM were able to offset costs in other areas.

"One of the things that we're doing now so that we don't have to pass anything on to the customer is working with the suppliers to see what we can do to streamline their operations and reduce their costs of processing," states Wayne Richards, principal owner and CEO of Cagwin & Dorward Landscaping Contractors, Novato, Calif.

"Secondly, we're looking in-

LANDSCAPE-RELATED SERVICES ORGANIZATIONS LIKELY TO RAISE PRICES FOR IN 1997



ternally at our usage of those materials and getting more efficient with the applications," says Richards.

Bruce Bachand, vice president & COO, Carol King Landscape Maintenance Inc., Orlando, Fla., stays current with the "how-to" aspect of the business.

"We've tried to stay abreast of the technologies and utilize herbicides for weed control instead of manual weeding," says Bachand, "and we also use bigger mowing equipment where possible and zero turn equipment which is coming out more prevalently in the marketplace and does increase productivity in some cases."

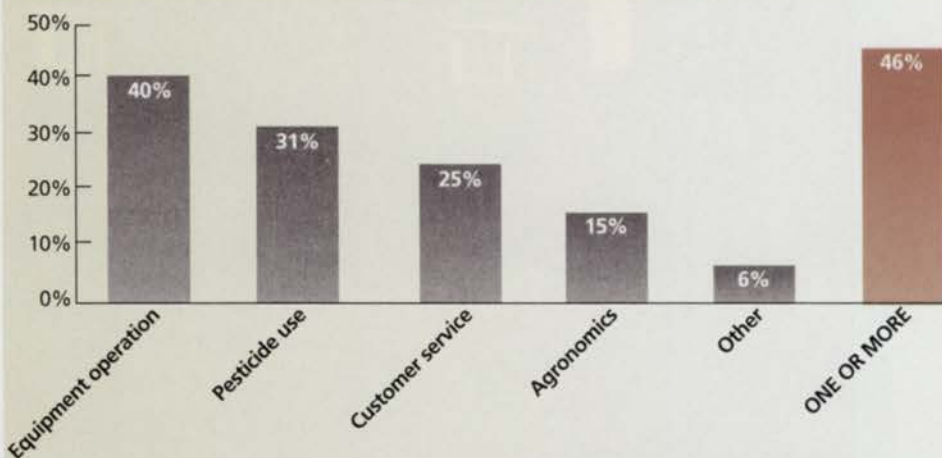
Many markets are made up of hundreds of landscaping



Erbesfield: Hispanic labor most reliable worker group.

companies, but the contractors say they don't compete with all of them. In most cases there are anywhere from six to a dozen that they compete with. They don't consider the "mom and pop" operations competition. But competition continues to grow.

AREAS IN WHICH ORGANIZATIONS OFFERED LANDSCAPE-RELATED TRAINING PROGRAMS



base: 574 LANDSCAPE MANAGEMENT recipients

"This is one of the if not the most competitive market in the United States. When the Olympics came to Atlanta, it brought a lot of competition for us. We had no national companies prior to the Olympics, now we have all of them," says George Morrell, CEO, The Morrell Group, headquartered in Atlanta.

Contractors seemed to be split as far as whether or not competition was fair. The ones that felt it wasn't said it was because of the unprofessional companies out-pricing them. The ones that felt it was fair said they stayed away from open bidding situations and only bid where customers knew them.

Because of the newly-built Mercedes plant the area around Tuscaloosa/Birmingham area is growing like crazy. There's a lot more competition, and most of it is poor competition.

"There's one other contractor, probably two, in the

Tuscaloosa/Birmingham area that price like I do and the rest drop the bottom out every bid. I've got a chance when I bid against those two fellas, but anybody else I don't even have a prayer," explains Paul Guthrie, owner of Guthrie Landscape, Tuscaloosa, Ala.

"There's so much work in our area, that contractors are working tremendous hours just trying to keep up," exclaims Guthrie "Everybody has gotten greedy after many lean years. We're still main-



Morrell: everybody's in Atlanta thanks to Olympics.

The ones that felt competition was not fair said it was because of the unprofessional companies out-pricing them.

taining quality. Instead of working 10 hours we're working 15 hours," according to Jeffrey Sheehan, president of Confidence Landscaping Inc., Campbell, Calif.



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Recruitment tips

Sometimes recruiting help is not just as easy as placing a newspaper ad.

"If we're looking for a more experienced job title worker, we'll go to the paper and run ads and conduct interviews. If we're looking for just general labor, we have a sign that we put out in front of our office or referrals," comments Sam Benson, vice president of Southeastern Landscape Inc., Huntsville, Ala.

Tim Korte, vice president of operations of The DiSantos Cos. Inc., says, "We found the best recruitment is through our own people. . . We've had no luck at all with newspaper ads. We also go through various college programs—both at Ohio State and the Agricultural Technical Institute in Wooster."

Bruce Wilson, president of Environmental Care Inc., Calabasas, Calif., says, "This year the competition has gotten pretty stiff for employees and the unemployment rate is fairly low so we've gone to more national advertising in trade magazines and 800 numbers for telephone interviews."

Nick Dennis, owner of Pro Lawn Plus, Jacksonville, Fla., explains, "We have even gone so far as to go out of state with national magazines and then pay for their expenses to move down here. We've had them get into Florida and they take off. Twice that's happened to me."



Wilson: national ads, toll-free calls for job applicants.

Digging for help

Fifty-five percent of those surveyed said that their organizations experienced difficulty in finding dependable workers over the past two years. Many seemed to be in agreement as far as what made a worker reliable. Honesty and trust were high on the list. Other characteristics included dependability, work

interest and pride. Many were looking for a worker who has experience, no police offenses, and a decent driving record. At the technician level they look for someone who has technical abilities.

Mark Erbesfield, owner of Greenmark Landscaping, Atlanta, has an almost 100 percent Hispanic workforce. "I got completely tired of the unreliability of the worker force that I was dealing with. We could not get any of the locals to show up. If we did they were not sober or clean."

One Fairfield, Ohio, landscaper offers a headhunter reward for employees. If a new employee lasts 60 days, the person who brought him in gets \$50.

The ways of recruiting new help varied from company to company, but one consistency stood out in most cases. The best workers were the ones that were recruited by existing employees or word of mouth. Most agreed that the newspaper is the worst and least productive way to find employees. Some have found other methods that work such as university job fairs, participating in local schools on advisory councils and supporting institutions that are training future employees. Another source is the state unemployment office.

Mike Glowacki, owner of Albert Glowacki Landscape,

Nantucket, MA, is in a unique situation because of his island location. "We have to recruit people from other areas and bring them here. There is no labor force where we are. We scout around, beat the bushes, go to colleges, tech schools and resort areas during seasonal changes," says Glowacki.

Frequently landscapers will call people back for a second and sometimes third or fourth interviews. Many spend at least an hour in the interview process. Most seemed to have a probation period whether it

was two weeks or 90 days.

Most actively search for career employees.

"That's why the company goes to the colleges to recruit. We've got a really good shot at having a really good quality employee as opposed to somebody who just wants to work outside as a summer job," says Korte.

Landscape contractors hire about two to three workers per year. Those companies that are in cooler climates with harsh winters hire anywhere from 5 to 40 summer employees.

Room for growth

Many companies try to promote from within. Train-

ing programs and opportunities for advancement are often times part of employment. Help with continuing education and time off from work to attend class is often an option. Richards says the current president of his company started out as a gardener and is now his partner.

However, most workers don't stay more than six months. "In our industry we can't pay them enough to compete with others around here. Some of these contractors are paying \$12 per hour for someone to push a wheelbarrow. In our business we can't compete," states Guthrie, who

points to an average labor cost in his region of \$7 to \$8 per hour as the ceiling rate.

Customers pay the price of increases

Many contractors are passing the cost of materials on to customers.

"If the cost goes up, the price goes up. . . We're in a pretty tight competitive business and there isn't a lot of room for absorbing cost," according to William Canon, president of Canon Russeau Landscape Inc., Carleton, MI.

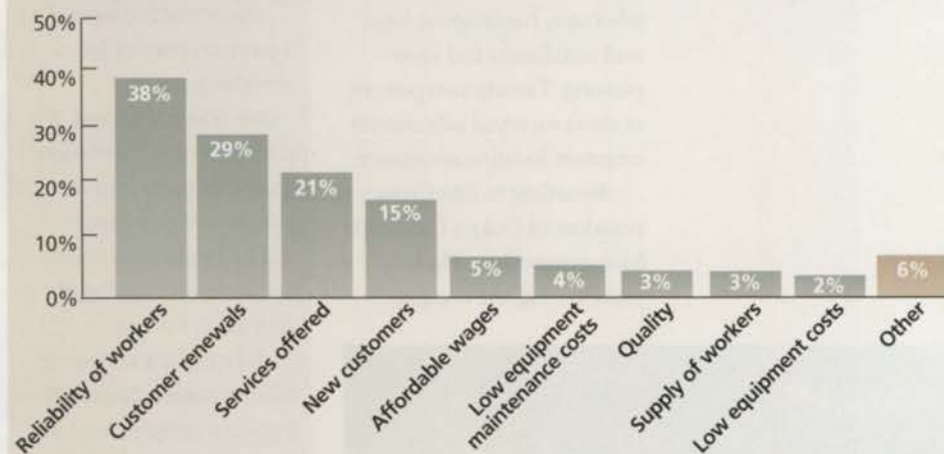
Fred Anderson, owner, Anderson Landscape Const. Inc., Lancaster, MA, says, "You can find other vendors that might get (material) for less money. You can pay for the material up front that saves money.

Nick Dennis, owner of Pro Lawn Plus, Jacksonville, FL, says, "From just cancelling the alarm service to just canceling the cable and weather. I've nickled and dimed this place just so we don't have to increase the cost on to the consumer.

Bruce Bachand, vice president and chief operating officer of Carol King Landscape Maintenance Inc., Orlando, FL, commented, "We've cut costs by trying to be more efficient in how we route our maintenance division and in our equipment purchasing practices.

Garry Ward, owner of Tropical Decor Inc., Cincinnati, OH, says, "You don't want to cut salaries on your employees because if you want quality employees you've gotta pay the employees. You've gotta give them benefits.

AREAS MOST RELATED TO SUCCESS OF ORGANIZATIONS' OPERATION



base: 265 landscape service providers

"To keep people punctual and reliable we have a monthly bonus program," says Bachand. "We also have an employee-of-the-month award in each division."

He says there is a downside to the makeup of the green industry culture.

"The pressures of our industry still do not lend to a good career. Many of the companies work very long hours

Twenty-two percent of landscapers surveyed subcontract irrigation installation and maintenance.

and pay low wages."

Branching out

Most landscapers that LM interviewed describe themselves as full-service. They provide services like design/build, installation, property management, snow plowing and de-icing.

Some of them subcontract

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services such as landscape maintenance and irrigation, arborcare, hardscaping, large wall installation and snowplowing. Twenty-two percent of those surveyed subcontract irrigation install/maintenance.

According to Eric Cross, president of Duke's Landscape Management Inc., Hacktstown, NJ, the company



Cross: subcontracts tree work, snow removable to avoid large investment in equipment, training.

subcontracts a small amount for snow and for major tree care work.

"It wouldn't be feasible for me to buy 20 front-end loaders so it's really out of necessity. To have an experienced climber and invest in a bucket



Drake: an 'awesome' year.

Subcontracting services

Subcontracting services is common practice for some landscapers.

Joe Drake, president, JFD Landscapes Inc., Bainbridge Township/Auburn, Ohio, says, "We're capable of doing everything in house, but we're pretty jammed with work."

Mike Rorie, president of Groundmasters, Cincinnati, states the company subcontracts, "Typically because it's a specialty area. Something that we don't feel that we can either do a volume in or do well."

Sally Griffin, human resources manager, Gibbs Landscape, CO, Smyrna, Ga., says the company subcontracts irrigations and fertilization of the lawns. "Those people are experts in those areas. Irrigation is just not something that we specialize in."

Gary Kinman, president, Kinman Associates Inc., Plain City, Ohio, says "We sub out the big heavy equipment like a big dozer that might cost \$150,000 because we don't have to work with it all the time. We sub out for specific uses with more expensive equipment and unique situations."



Kinman: sub out the big jobs.

truck wouldn't be feasible," says Cross.

Brighter days

Revenues are expected to increase in 1997 for 42 percent of those surveyed by LM, 22 percent expect them to stay the same and three percent expect a decrease.

Joe Drake, president of JFD Landscapes Inc., Bainbridge/Auburn Township, Ohio, feels that 1997 will be an awesome year.

"The backlog that we have is probably the biggest that we've ever had. There's a number of factors. This is our eighth full season of business.

We finally established a reputable reputation. I don't even have time to chase all the leads coming in."

Dave Rykbost, president and owner of Dave's Landscape Co., Hudson, Mass., says, "We're swamped pretty much as always in the spring. It'll be a good year landscaping-wise. It was a terrible year for snowplowing. We're very busy and I expect it to be a good year."

Landscapers rely on good weather, but whether or not some landscaping businesses thrive in 1997 is just as unpredictable as that next rainstorm.

STATE OF THE INDUSTRY

Edging the competition

Company acquisitions and tough markets are keeping lawn care companies from raising their prices and passing cost to the consumer.

by SHARON CONNERS/Contributing Editor

In some cases material costs have increased as much as 100 percent over the previous year, but contractors' hands are tied. They are having to absorb those costs. The industry has grown more cut-throat as acquisitions take place causing contractors to think twice before passing cost along to customers, which could hurt their business.

Only 21 percent of those surveyed for Landscape Management by Readex Inc., Stillwater, Minn., say they will increase mowing prices in 1997. Seventeen percent say they will increase fertilization prices. Competitor pricing af-

fecting 27 percent of the companies' pricing structure.

"One of the big concerns that I have as a fairly small company is the acquisitions and buyouts that have taken place in recent years. I'm not really sure where that will take the industry," says Craig Martin, vp of Greener Lawn Care, Cumberland, Md.

Jack Robertson, owner of Robertson Lawn Care, Springfield, Ill., explains, "A small company has to do what it can to make a profit. A larger company that has significant funds behind it can actually put pressure on the smaller companies because of that. They can control prices more



Pool: spot apps to cut costs.

than a small company can."

Sam Lang, owner and president, Fairway Green Inc., Raleigh, NC, says, "Unfortunately, in a market like Raleigh there's been some acquisitions made by the bigger companies. As we get into more intense competitive mode, we see the price soften some with the larger companies trying to buy a piece of the market."

"It's very difficult to compete with the competition, says Gene Pool, vice president of Emerald Green Lawn Care, Van Wert, Ohio.

"As it is now, we use a quality product which means we're already higher than our



Lang: prices soft with big guns.

competition. If we passed a 14 percent increase along to our customers, the cancellation rate would just be exorbitant. Right now, we're just trying to bite the bullet and make changes in the program as the year goes on. Hopefully we can just run spot insecticide on an as-needed basis and hope to recoup some costs. We have down-sized a little on labor and tried to get more out of what people we have."

Mixing cost and customers

Most told LM that their costs have gone up 2 to 4 percent on fertilizer, seed and weed control products. However, some have seen increases as high as 100 percent, for ex-



Munie: work harder in the interviewing process, make effort to find the best workers.

At least she insists

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