

**8 Listen and ask for guidance.** Receiving guidance from within and outside the company — and from within the industry — is crucial. Engage in learning from mentors to challenge yourself, and find new ways of thinking about your business.

**9 Learn to delegate and enjoy life.** Commit to giving up micromanagement by valuing and trusting your staff and delegating with authority and control because you've put systems in place and have the right managers running them.

### A shift in focus

Implementing all of the above will likely make you change your way of thinking and develop a more focused approach to your role. Re-engineer your mindset. Many of you didn't start out with training in business ownership, leadership or management. You had a passion for and technical aptitude in landscaping. So, now you need to shift your activities to bring out your brilliance and the talents of your managers, too.

To escape the details and headaches of your business, you must make the great mental leap from that of employee to manager, and entrepreneur to business leader. You must acknowledge your technical bias, addiction to being busy and uneasiness with delegation. You must adopt the big-picture mindset of a chief executive and strategic manager — and be a chief executive in mind and spirit to get the results you seek.

If you don't start thinking like a chief executive, it'll be nearly impossible for you to start behaving strategically and working on your business in a proactive, purposeful manner. For many owners, jumping this wide chasm from manager to leader is tough and terrifying. However, you'll never escape a workaholic existence unless you stop being a detailed-oriented technician masquerading as an owner. Stop focusing on the technical work of the business, and focus on the entire business, such as your staff.

The choice is yours. Step up and be a leader. **LM**

The author coaches leaders of growing companies in the landscape industry. Learn more about his peer group coaching programs for owners and managers by calling 818/716-8826, emailing [Jon@TheGrowthCoachLA.com](mailto:Jon@TheGrowthCoachLA.com) or visiting [TheGrowthCoachLA.com](http://TheGrowthCoachLA.com).



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**HYDROSEEDERS**

# Apples to oranges

Highest value versus lowest price? There's no comparison. Even in a recession, superior value wins the long-term customers almost every time.

BY MARTY WHITFORD / EDITOR-IN-CHIEF

## TAKE AWAY

Manage customer expectations from the first sales call.

Provide value to customers, and communicate your benefits.

Concentrate on cultivating and retaining customer loyalty.

**C**OMPETING PRIMARILY on price is the equivalent of sentencing your business to death, especially amidst the country's "Great Recession."

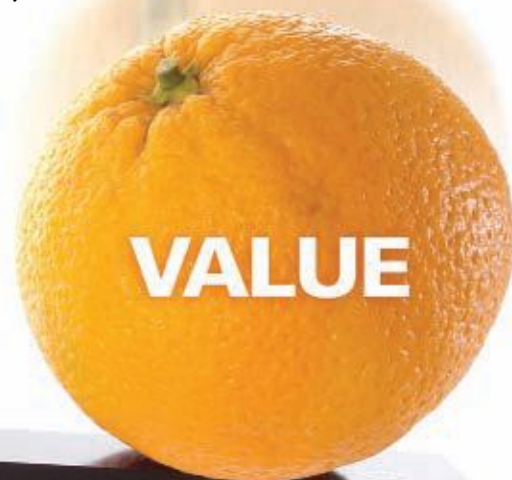
If you want to survive and thrive, you must compete on — and clearly demonstrate and deliver — superior value. That's the gospel according to Bill Hoopes, a 30-year industry veteran and founder of Delaware, OH-based Grass Roots Training.

"If you use price to gain customers, be prepared to lose them the same way," Hoopes says. "Someone else will come along before too long, and that customer will go away just like that."

Hoopes, who has served as director of training for Barefoot Grass and Scotts Lawn Service, played the dual roles of professor and preacher Sept. 17, when *Landscape Management* hosted its first LM Contrac-

tor Business School Webinar. Sponsored by DuPont Professional Products and archived at [www.landscapemanagement.net](http://www.landscapemanagement.net), the Webinar, "Selling in a recession: Why service matters even more," drew more than 150 Green Industry professionals.

"If you don't differentiate your company based on the superior value you deliver, what do have to offer?" Hoopes says. "Naturally, you default to competing on price — and we all lose out, even our customers, because service usually suffers."







“WE GENERATED REVENUES OF \$1.25 MILLION LAST YEAR, AND WE’RE ALREADY AT \$1.4 MILLION WITH THREE MONTHS TO GO IN 2009.”

**SCOTT EMERSON,**  
owner, Scotts Lawn Service  
franchise, Prince Frederick, MD

During the Webinar, Hoopes explained how contractors can compete against low-bidders, and win most times, without competing solely (or even primarily) on price.

“It’s all about communicating and delivering superior value,” he says. (*Editor’s Note: For more of Hoopes’ insights on sales and marketing, see page 68.*)

### Value 101

Recognizing sales and service are two sides of the same coin is the first step to communicating and delivering value.

“Most in the Green Industry are very strong technically, but many haven’t spent enough time developing and honing their interpersonal communication skills,” Hoopes says. “Studies show communicating value to customers and prospects is 85% about interpersonal communication skills and just 15% about demonstrating technical know-how. We have to do a much better job communicating to prospects the near- and long-term value of saying ‘yes’ to our proposals, as well as the many costs of saying ‘no.’”

Hoopes says every prospect asks themselves one question throughout a sales pitch: What’s in it for me? The path to closing more-profitable new business includes:

**1 Listen and observe.** Identify the underlying benefits the prospect wants and for which he’ll pay.

**2 Talk the walk.** Demonstrate how your business is uniquely positioned and proven to deliver those very benefits and many others.

**3 Hero maker.** Make the buyer look smart. Emphasize how studies have proven professional landscape and lawn care services often increase property values 10% or more.

**4 Fear factor.** Make switching from another company or from self service risk-free.

**5 Easy does it.** Communicate your simple plan that’s chock full of value.

Another sales fundamental is to only set realistic expectations. Some sales folks will say and promise almost anything to close a deal, but that approach only results in lower customer satisfaction scores and higher cancellations, Hoopes says.

### Faithful followers

Hoopes preaches and embodies the cornerstones to sales and service success, says Phil Fogarty, president of Cleveland-based Crowley’s Vegetation Control and a Weed Man franchise owner and subfranchisor.

"I learn something from Bill every time I talk to him," Fogarty says. "He's committed to helping the Green Industry deliver increased value for all involved. His training tenets are proven over decades in the field, and they mesh nicely with Weed Man's business philosophy.

"The ever-constant thread is we have to keep ratcheting up the value we deliver," Fogarty adds. "We either grow or go."

But in these turbulent times, there are more companies "going" than are growing. Most business owners would be ecstatic if their 2009 revenues matched those of last year. Margins are a different, more-dismal story. However, one of Hoopes' clients already has surpassed its 2008 sales.



**"IF WE GET THE OPPORTUNITY TO TALK FACE-TO-FACE WITH A HOME-OWNER, IT'S A DONE DEAL MORE TIMES THAN NOT."**

**MARK GRUNKEMEYER,**  
president/owner, Buckeye Eco Care

"We generated revenues of \$1.25 million last year, and we're already at \$1.4 million with three months to go," says Scott Emerson, owner of the Scotts Lawn Service franchise in Prince Frederick, MD.

How is Emerson doing it? He's listening to Hoopes instead of the negative national media.

"It's as simple as 1-2-3," Emerson says. "One, we listen closely to each prospect's and each customer's needs; two, we sell our unique benefits as they pertain to those specific needs; and three, we back up our word with our work."

### Against all odds

Emerson isn't alone. Quite a few of Hoopes' faithful followers are bettering their businesses amid this gloomy economy. Buckeye Eco Care in Centerville, OH, competes in a market that got a three-year head start on the recession thanks to the shutdown of several auto parts plants and a SUV factory that spiraled from three shifts to two, to one, to none.

Buckeye Eco Care's commercial sales are down 10% year-to-date, but its residential sales are up 8%. Total sales are forecasted to climb 2%, thanks to residential sales accounting for \$2.3 million of the company's projected \$3.3 million in revenues this year, says Mark Grunkemeyer, president and owner.

"If we get the opportunity to talk face-to-face with a homeowner, it's a done deal more times than not," Grunkemeyer says. "People are looking for more value, and that's what our business is built on thanks largely to the tutelage of Bill Hoopes."

JM Systems, which operates six Scotts Lawn Service franchises, has bolstered its sales 11% this year. JM Systems is on track to add

*continued on page 86*

## DO YOU DELIVER?

Are your sales pitch and service delivery on the same page? Ask and listen to your customers. The goal is customer feedback on par with the following letter Buckeye Eco Care recently received:

*We left a nationally recognized company after they came out and did two tree applications, two lawn applications, one aeration and one bug spray outside the house — all within three weeks! It was at that time I realized they were adding a lot of services we never authorized. They took total advantage of us! We ended up having a one-year bill of more than \$1,200!*

*We joined your company, and from the first call things have been fantastic! Your service techs, administrative staff, and all of your lawn and tree men have been very knowledgeable about our turf and tree issues.*

*We have more money in our wallet today. We have fewer treatments, yet our lawn looks beautiful. Your service has been beyond great.*

Mark Grunkemeyer, owner of Centerville, OH-based Buckeye Eco Care, uses the testimonial as billboard material at the office and has added, "This is your sales advantage, guys!" to the handwritten customer note.

Grunkemeyer faxed *Landscape Management* a copy of the rave review, with a cover sheet saying, "Bill Hoopes is trying to make all of our lawn techs salespeople. Our competitors can't touch that."

Grunkemeyer's onto something — a real competitive advantage. Have you spent the time and money to develop hybrid sales/service techs and adopt a corporate culture of overdelivering, one customer at a time? — *MFW*

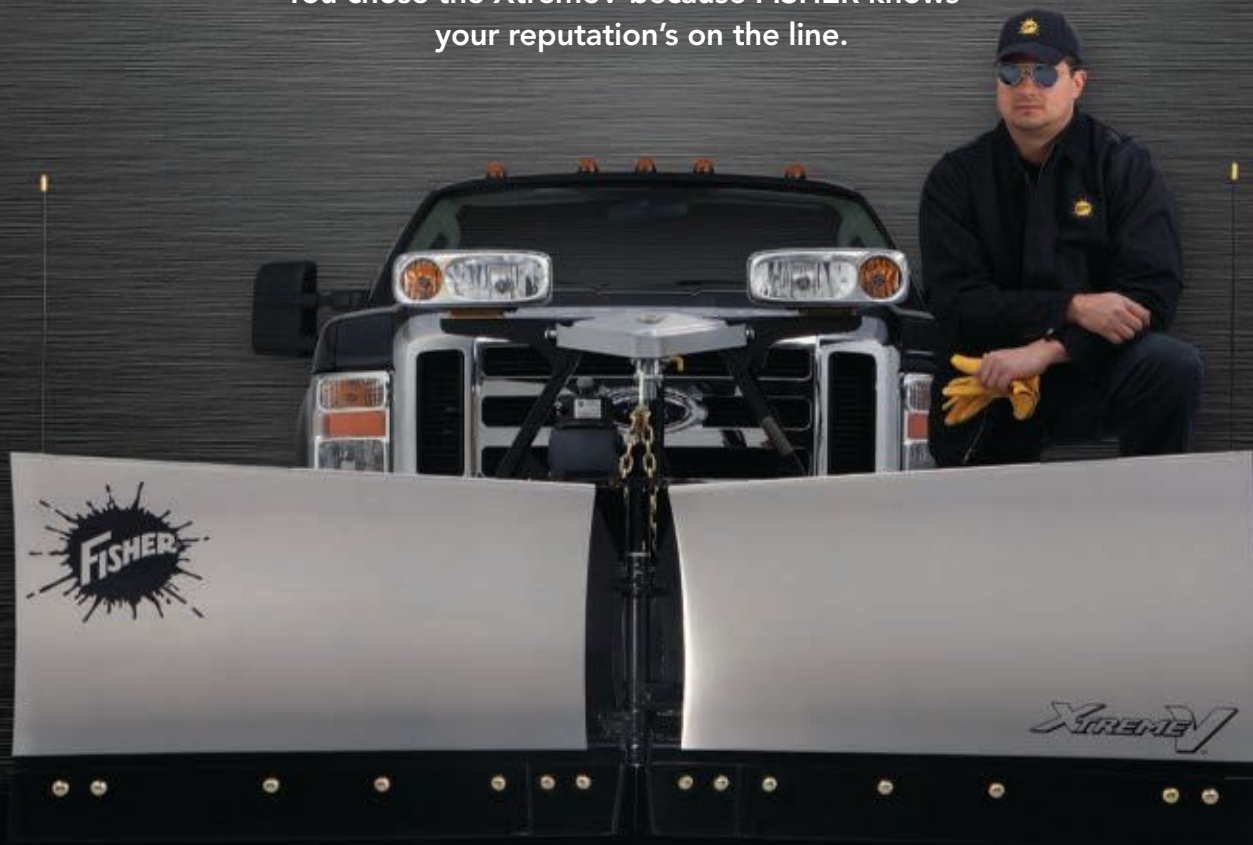


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*continued from page 84*

\$750,000 in new business in 2009, says John Moehn, president of the Mishawaka, IN-based company. Just as important, the business' bottom line is 18% better year-to-date.

"We talk a lot about value internally and externally," Moehn says. "Price is probably the last thing we talk about."



**"WE'VE OFFSET OUR CUSTOMER LOSSES WITH PRICE INCREASES RANGING FROM A FEW PERCENTAGE POINTS TO 10% ON OUR REMAINING BASE."**

**KENNY CRENSHAW,**  
president, Herbi-Systems

### Customer-centric

Kenny Crenshaw, president of Herbi-Systems in Memphis, TN, says he never pays attention to his competitors. Instead, he pays attention to his customers, employees and costs.

For example, some competitors think nothing of quoting \$10 less per chemical applica-

tion than Herbi-Systems charges, even without seeing the prospect's lawn, Crenshaw says.

"Where's the value in that?" he says. "Some of our competitors lock into a low price before they see the weed, pest, competing grass and shade issues they'll face. And then they try to make back their money by doing twice as many applications. We don't play that game."

Even with its customer-centric corporate culture, Herbi-Systems has lost 2% of its clients this year.

"So far this year, we've lost 134 customers — primarily because of this recession," Crenshaw says. "But the ones we've kept are higher value. We've offset our customer losses with price increases ranging from a few percentage points to 10% on our remaining base of about 6,800 customers."

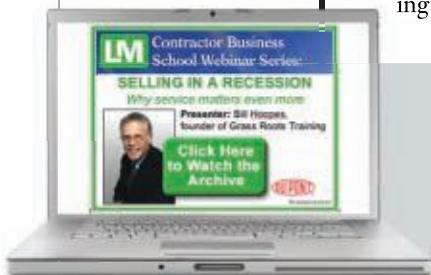
Demonstrating and delivering quality services is the key to unlocking value, says Bill Hildebolt, president of the Professional Landcare Network (PLANET) and of Nature's Select Premium Turf Services in Winston Salem, N.C.

"I'll never discount or match competitors' prices," Hildebolt says. "Market leaders don't do that."

The economic recession will continue to weed out the weak, he says.

"A lot of these guys are one-trick ponies — all they know how to do is cut prices," Hildebolt adds. "Many of them don't even know their true costs, and they end up putting themselves out of business. But if you differentiate your business based on quality service and value, there really is no price comparison to be made.

"It's apples to oranges." **LM**



## LM CONTRACTOR BUSINESS SCHOOL WEBINARS

DuPont Professional Products sponsored the inaugural *LM*

Contractor Business School Webinar on Sept. 17. More than 150 Green Industry professionals logged on to listen to Bill Hoopes, owner of Grass Roots Training, share nuggets of wisdom culled from his 30 years in the business. Hoopes' initial Webinar gave lawn care pros the sales and service tips they need to grow their top and bottom lines in any economy.

*Landscape Management* plans to hold monthly *LM* Contractor Business School Webinars, with speakers rotating among our stable of star columnists:

- ▶ **Bill Hoopes:** Maximizing sales and service, training and development, and employee and customer retention;
- ▶ **Bruce Wilson & Tom Oylar:** Strategic planning and adopting best practices across commercial and residential accounts;
- ▶ **Kevin Kehoe, Frank Ross & Jeff Harkness:** Increasing revenues, profits and total business valuation, and capitalizing on acquisition and divestiture opportunities;
- ▶ **Tyler Whitaker:** Embracing information technology to serve your customers, employees and bottom line better; and
- ▶ **Jeffrey Scott:** Realizing your full potential by participating in peer review groups and implementing systems to strengthen your brand, captivate clients and grow profitably. — *MFVW*

# Position your company for success



At the end of the day, will you be a survivor — or just another failed business because of the economy? **BY WAYNE VOLZ**

**H**ISTORY TELLS us that depressions, recessions, slow economies or whatever name you want to put on hard times are simply a way of life in a free economic system. Companies have failed in the past, and many more will fail in the near future. Do not use the economy as an easy excuse. The fact remains that many other companies survived the past economies, and many will survive this one as well.

Not only is survival an option, but doing well and surpassing your competition are realistic and achievable goals. How can an other-

wise stable company succeed and do well in a recession? By developing, implementing and constantly fine-tuning your plan of action.

## Plan, plan, plan

Do you have goals in place for your company? It is often easy for owners to become complacent and think they do not need company goals because they are seeing everything every day. But that is exactly how we sometimes lose sight of reality. You wouldn't think of driving a vehicle without a steering wheel; why try to drive your business without goals? Without goals, you cannot be sure whether your com-

## TAKE AWAY

Economical conditions are cyclical.

Don't be afraid to make changes.

Plan now so that when the economy improves, you're ready for it.

pany is achieving or exceeding your expected projections. With goals — and measurable benchmarks within those goals — you are providing yourself with a standard of expected achievement and excellence for your company.

As a survivor of a few previous “bad economies” and interest rates over 20%, I would like to share a few ideas that helped us get through past tough times, as well as what we are doing now to get through this recession:

› **Don't let the media control your destiny.** All the news outlets want to discuss how bad our economy currently is. I know it's bad, and you know it's bad, and we don't need to hear it every time we turn on the TV. If you hear it enough, you will begin to believe it, live it — and lose to it. I am not suggesting that you bury your head in the sand and hide from it; rather, ask yourself what you can do differently and better than your competitor than the way you did it before. Don't change who you are, but do open your eyes to some new ideas.

› **A positive attitude is your key to success.** You can take two positions: You can be a victim or a solutionist. Being a victim is the easy choice. It's easy to blame the economy. Being a solutionist means saying “I am going to be proactive. Yes, I know times are tough, so this is what I am going to do differently and better than my competitor.”

› **Longevity does not equal success.** Don't get caught up in thinking “it's worked fine up to now, why change?” Many companies that are thriving in certain economic conditions resist change and therefore fail. They get complacent; they take employees for granted. This makes employees take custom-

ers for granted, and the company gets out of touch with its goals and objectives. Don't let this happen to your company. Proper training for everyone — including you, the owner — is always a proven winner.

› **Get out of your comfort zone.** What can you do differently and better than your competitor? While your personal ego and pride are very important to your success, they can also be detrimental to your company if you are not willing to be open-minded and accept the fact that sometimes changes are necessary.

› **Know your costs per hour of operation.** Why do you charge what you charge? If you understand your costs per hour of operation, you can calculate how low you can go and still take the job if necessary. Know your breakeven point. Although none of us want to work for minimal margins, in a slower economy it may be necessary to adjust your pricing for certain services while still maintaining a nice profit margin for others. I am not suggesting that you work for nothing, but look at the prospects of tightening up the margin if necessary to make the sell until the market changes. If you know your costs, you will not price yourself out of business.

› **Implement a service agreement to help solve seasonal cash flow issues.** Implement a service agreement for your clients — both residential and commercial, if you are offer ongoing service. Honest, your residential clients will appreciate the simplicity of a regular monthly payment.

› **Solve problems quickly for your clients.** None of us are perfect. You will have the occasional problem. I also realize the last thing you may want to do is to make that return phone call. But this is one of those times you need to move your ego out of the way and contact your client immediately. Most people are not really too upset about the problem; they just want something corrected. However, when they feel like you are avoiding them and not returning their call, the simple service problem has turned into a much larger issue for them — and you. Bottom line: Make the phone call and solve the problem before it turns into something more.

“A RECENT SURVEY IN *USA TODAY* ASKED, ‘WOULD YOU BE WILLING TO PAY A HIGHER PRICE FROM AN ETHICAL BUSINESS?’ SEVENTY-TWO PERCENT SAID YES THEY WOULD.”





› **Increase your personal contacts with your customer.** Let your clients know you appreciate their business. Are you sending a handwritten thank-you note after speaking to a potential client? Sounds a little extreme maybe, but it does make a difference. Are you using evaluation forms for all your services? This gives your clients the opportunity to critique your services without telling you to your face that something wasn't exactly the way they wanted it.

We found that on occasion our customers were not complaining to us; they were simply accepting the job as is — or even worse, not calling us back for another service. By implementing our evaluation sheets, however, we were giving our clients an opportunity to share their thoughts concerning the workmanship and professionalism of the job they received. These simple contacts go a long way toward creating perceived value and professionalism for our service. I know you will see similar results for your company.

› **Ethical business decisions are a must.** Do not attempt to deceive your clients with fast talk and stories. If you can do the work, let them know you can do it. If not, help them find someone that can. Do not sell them something just because you have too many of them. A recent survey in *USA Today* asked, "Would you be willing to pay a higher price from an ethical business?" Seventy-two percent said yes they would.

› **Diversify your services so your clients can buy more from you — and not your competitor.** You cannot be everything to everyone, but in many situations, you can offer more services to fewer clients and make more profit dollars. Take the time necessary to train and educate yourself,

your employees and your customers as to why buying more services from you makes sense.

› **Do not slow down or stop your marketing and advertising during slow economies.** Too many times, advertising is one of the first areas to cut when times get lean in a slow economy. Don't do it! You must keep your name in the marketplace for three main reasons:

1. Less potential buyers are available for your service because of market conditions.
2. There's increased competition because of people losing their jobs and suddenly becoming landscapers, lawn care contractors, etc.
3. When the market does turn around, your name will still be known and recognized by potential buyers who will buy from you — and not your competitors, who cut their advertising and marketing budgets!

› **Sell your services based on the value of the service you are providing, not the actual cost to provide them.** Create perceived value for your service over the competition that is appealing to your target market. Selling on price alone normally creates a customer base of price shoppers. These are probably not the type of customers that you are looking for. Yes, they may seem to fit now, but there is generally very little loyalty from the price shopper. The next contractor that comes along at a lower price may be the one that gets you fired for no reason other than cost. Bottom line: Do not be that contractor. Offer something different and better than your competitor by selling your services on value and not cost.

The main thing to remember is "Don't Panic." Economic conditions are cyclical. Things will get better. There will be business failures, and there will be businesses that do very well. Some will say that the businesses that survive are lucky. And while I do believe in luck, I also believe that luck is where skill and preparation come together.

What will you do to be lucky? **LM**

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The author is the Louisville, KY-based owner of both Wayne's Lawn Service and of Profits Unlimited, a Green Industry business consulting firm. Contact him at 800/845-0499 or wayne@profitsareus.com.

# Outlook for 2010

Why it will be a challenging year — and how to respond.

BY KEVIN KEHOE

## TAKE AWAY

**Build a budget and pricing strategy that provides the flexibility to price-pick key jobs for as much as 10% to 15% lower than your current rates.**

**Invest in employee productivity improvement.**

**T**WO REALITIES facing every contractor are the need to price aggressively to retain and win new work, and the need to reduce overhead in relation to revenue.

I've written about this subject before, but it's important to revisit it now.

As we begin planning for 2010, we should have no illusions about a smart and sassy economic recovery. Still, it's important to distinguish between good news and news about the economy "not worsening." The most predictable forecast for 2010 is that the economy won't get much worse, but it won't get much better, either.

The real-estate market in particular isn't in recovery, and only a recovery will drive the kind of spending that affects contractors.

There's a substantial foreclosure problem looming in the commercial and non-subprime residential markets, and consumers still are deleveraging their balance sheets. As a result, spending will be tight next year.

And don't expect much help from a government stimulus program. There's nothing in these programs to help small businesses, no matter what the politicians say.

A second year of pain puts considerable pressure on everyone — customers and contractors — to manage money even more prudently. But the real risk facing the economy isn't *inflation* as much as it's *deflation*, or falling prices. We've seen prices decline all year long. Prices increase during an inflationary environment, not decrease. This will continue in 2010.



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