

take our existing clients for granted.” Newman’s efforts are paying off, so much so that he expects his revenue to double this year.

Curtis Depner, president and chief executive officer of Landscape Services and Management (LSM), Richmond, IL, says he stays ahead of the competition by being aggressive.

If you can retain customers, Depner says, “It’s a lot less work going forward.” Communicating with his customers and ensuring their satisfaction is most important of all to him, he says. “You don’t want to give anybody any reason to have something bad to say about the company. Because then it’s hard to gain that new customer.”

DETAIL-ORIENTED

That’s why Newman has paid more attention to details in the last year. “In our market there aren’t other businesses that approach residential the way we do — with such detail,” he says. “Others don’t have a staff with as much training. It’s because of the relationships that we’ve been able to make with our clients that they’ve stuck with us.”

At Newman’s Classic, where 75% of the client base is residential, about 70% of the company’s focus is on design/build projects. And customers care just as much about value as they do detail, even if that means paying more.

“Are we the cheapest? No,” says Newman, but “as far as the people in our market, we’re the best value. We provide a little more detail on the front end as far as the designs are concerned.”

That may mean something as simple as installing plants that require less pruning than those provided by other companies, he says.

For Simpler at Smith Lawn and Tree, being on time and delivering on his promises are most important. Relationship building is always at the fore of his mind, he says.

Simpler also puts a premium on consistency, putting the same workers on the same properties week in and week out. It helps his business, he says, “because you just know the ins and outs of everything about it. And it shows.”

VERSATILITY HELPS

Grandville, MI-based Summit Landscape Management President Michael Verhulst is very optimistic about business this year, expecting his company’s 2011 revenue to be between \$2.5 mil-

lion and \$4.9 million. Large-scale commercial clients such as hospitals, universities and automotive companies constitute about 70% of the business.

Clients’ demands for innovation, sustainable design and professionalism — and Summit’s ability to meet them — enable Summit to remain competitive, Verhulst says.

“Whether it’s low-impact development, sustainable designs, native plants, energy conservation, or fuel alternatives, we want to be the company that can always be that one phone call,” he says.

“There is not one service that our clients require that I do not have an expert on my staff in place to handle,” he continues. “I can’t be the expert on everything, but I can be through my staff, and our clients love that.”

Because many of Summit’s clients are striving to become more sustainable, Summit is “growing greener every day,” Verhulst says. By installing LED lighting and water-conserving features, the company provides clients with services that have long-term benefits, maximizing their return on investment.

“We’re so diverse with our services, there are very few services we don’t provide,” Verhulst says.

Given the poor state of the economy and the rise of lowball bidders, retaining customers is more challenging than ever, Verhulst asserts. He has met that challenge head on by becoming more creative. That may mean anything from reducing fertilizer treatments so customers can save money, to using more affordable products. His company, for instance, saves people money by using fertilizers that last up to 28 weeks with one application.

WORDS OF WISDOM

For companies who didn’t have a high customer retention rate this year, Simpler advises, “Do what you say you’re going to do and follow through with that. Every customer I know does not like surprises at the end.”

Newman has some advice of his own: “Personally champion taking care of the customers.” And if you can’t do it, he says, find someone who can.

Newman’s company is having the best year it’s ever had, he says. “I think people are becoming more cautiously optimistic overall. I guess if everybody would quit listening to the news, we’d all be in better shape. Just get out and live life and move forward.” **LM**



THE CHANGING FACE OF H-2B

Rapidly changing rules and regulations make it difficult for landscape contractors using temporary workers to plan for the future work force. BY JANET AIRD

Landscape contractors who hire workers with H-2B visas need to be aware of changes being made to the H-2B visa program. The program provides American employers in non-agricultural fields, such as the landscape industry, the seafood industry and forestry product manufacturers, a source of legal, low-skilled, seasonal foreign labor when they can't find local labor, says Craig J. Regelbrugge, vice president of government relations with the American Nursery & Landscape Association (ANLA).

"This program exists as one of only two options for employers to access legal labor," he says. "The reality is that even in times of high unemployment, it's difficult to attract American workers to seasonal jobs. Most Americans are seeking full-time, year-round jobs."

Employers want to expand the program because these industries will need additional workers when the economy improves, and it's a way to standardize and control the flow of labor

across the border.

Instead, changes that have already been made, and changes that might be made in the next few months, could contract the program.

"This administration has dramatically changed the rules," Regelbrugge says. "They're so extreme and hostile to employers attempting to hire legal workers."

Until Sept. 30 of this year, the U.S. Department of Labor (DOL) based H-2B prevailing wages on the federal Occupational Employment Statistics (OES) database. This database produces employment and wage estimates for more than 800 occupations and wage data in four levels, based on workers' experience. Most H-2B workers were assigned prevailing wages in the lower levels, Levels I and II, he says.

On Sept. 30, the DOL was to have begun requiring employers to pay their H-2B employees the higher of the OES Level III wage, or the Davis-Bacon Act or Service Contract Act wage, if applicable. (The DOL has since pushed the implementation date to Nov. 30, and in a related case, Judge M. Casey Rodgers of the U.S. District Court Northern District of Florida Pensacola Division had issued a temporary restraining order for 14 days against both the Wage Rule and Expediting Rule. A hearing on a permanent injunction was set for October 3, 2011). These acts require contractors and subcontractors working on federal, District of Columbia and federally assisted construction contracts in excess of \$2,000 to pay their laborers at least the prevailing wages and fringe benefits as corresponding classes of laborers working on similar projects in the area (DOL.gov/compliance/guide/dbra.htm). The intended effect of the new rule was to increase the wages of H-2B workers by between 30% and 70%.

"The DOL is arbitrarily saying that the Level III wage is what applies at a minimum," Regelbrugge says. "It essentially elevated wages to those typically paid to much more highly skilled or unionized workers."

According to the DOL, the goal is to improve the standard of living of H-2B workers. That could happen, he says — as long as their employers stay in business.

"A lot of landscape work is done under contract, and there's no mechanism to adjust it," he says, so landscapers have to absorb the increase. Landscapers who are able to increase their prices also find themselves in a bind. Because a large amount of

landscape installation and service work is a discretionary investment, a dramatic increase could price the average customer out of the market altogether.

At press time, one federal lawsuit already has been filed by an alliance of Louisiana industries against the DOL and Homeland Security to postpone or permanently halt the changes. A second lawsuit, being handled by the law firms Greenberg Traurig and CJ-Lake, applies more to the landscape industry. At press time, ANLA is supporting the lawsuit but is not a plaintiff.

Regelbrugge says he believes that DOL lacks the authority to proceed as it is. "There was careful researching of H-2B history," he says. "There were a number of times that the labor department could have changed the program structure, but they didn't. That's tantamount to Congress not authorizing the DOL changes. The DOL is acting in direct conflict with Congressional intent."

ON THE HORIZON

The next few months might hold more bad news.

While the H-2B program applies to non-agricultural workers, the H-2A program applies to agricultural workers only. Until March 2010, H-2A wages also were based on the OES database, which tended to require the prevailing wages of foreign workers not undercut those of American workers, he says.

In March 2010, the DOL returned to a rule it had used previously to determine H-2A wages for agricultural workers. According to the Georgia Fruit and Vegetable Association (GFVGA.org/2010/02/gfpga-statement-on-new-h2a-regulations), this rule increased wages to an average of about \$2 above the federal minimum wage in most states. The DOL also required H-2A employers to pay their American workers who perform the same agricultural work as the employers' H-2A workers at least the H-2A wages and benefits for that work, which the DOL defines as "corresponding employment."



“At this point, it appears that the DOL will do (to the H-2B visa program) what it did with the H-2A program,” Regelbrugge says. “All of a sudden, everyone will have to be paid at the corresponding rate.”

The Georgia Fruit and Vegetable Association reports the new rule also increased the difficulty in job advertising and record keeping, the potential for litigation, and the program’s costs.

Regelbrugge expects that at the end of this year, the DOL could make the

THE E-VERIFY ISSUE



The E-Verify system, which checks authorization documents electronically, is yet another troublesome issue for landscapers.

It’s currently voluntary for most businesses, but if the “Legal Workforce Act” bill proposed by House Judiciary Committee Chairman Lamar Smith (R-TX) passes, most employers across the country will be required to use it within three years. According to the American Nursery & Landscape Association, this could lead to a severe shortage of seasonal workers.

On Sept. 21, the House Judiciary Committee approved the bill by a 22 to 13 vote. At press time, the bill was being sent to the full House.

“If it passes and works, it will have the practical effect of making seasonal workers less employable — and at the same time make H-2B impossible to use,” says Craig J. Regelbrugge, ANLA’s vice president of government relations. “If the program gets trashed, more people will be left with the choice to either downsize or hire workers whose documents might be questionable off the open labor market.”

same changes to the H-2B program. He speculates that the DOL is bowing to union pressure. If they’re trying to protect workers or increase the employment of Americans in temporary, seasonal work in the landscape industry, the changes could well have the opposite effect, he says.

“Landscape operators around the country maintain good, year-round jobs, but must be able to get the seasonal work done,” he says. “American workers will not take all the seasonal jobs and stick with them. We’ve seen in the past that if the wage floor is raised too much, the reaction is the decision not to expand or hire more people. LM

The author is based in Altadena, CA.

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A guy goes to see his doctor and is given some very bad news: he has six months to live.

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“Will that cure me?” | “No, but it will be the longest six months of your life.”

ALL IN THE FAMILY

Words of wisdom
on how to run a
family business

BY **BILL BEMUS**

For the myriad benefits provided by a family business, as the above anecdote brings to light, it can also be challenging at times. On the plus side of the ledger, family members are generally more trustworthy, take a long-term view, are more focused on quality and have more care and concern for their non-family coworkers. On the negative side, conflict, which is inevitable, can become magnified and more difficult to resolve when it involves a family member.

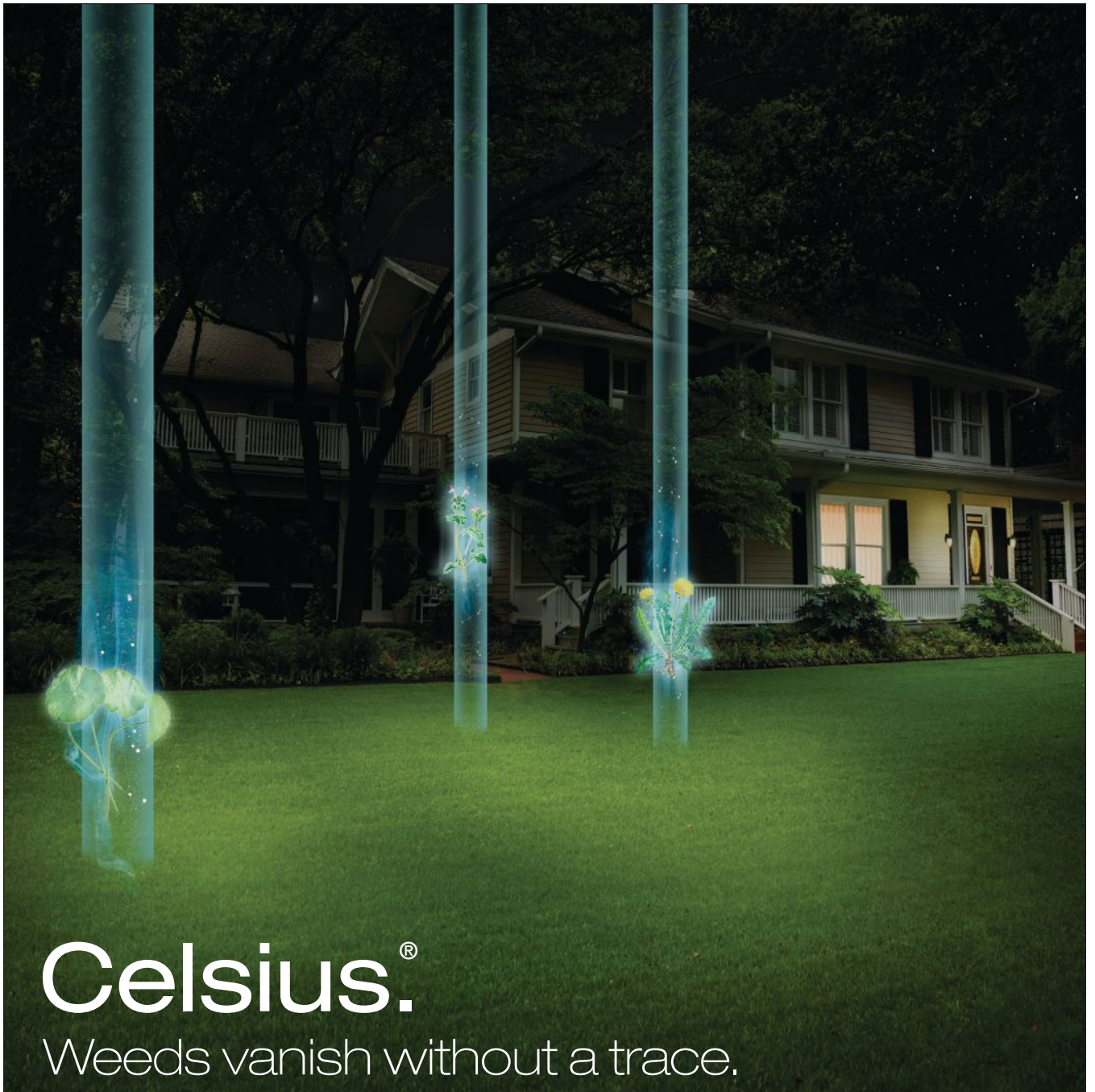
I founded our company in 1973, armed with zero experience, zero business training, a college botany course (I did get an A.), and \$750 in savings. I had a partner, and the plan was to do landscaping over the summer between college semesters. And oh yeah, I got married that same summer. I was 20, and my wife, Martine was 19. The business partner lasted about a month (he was the smart one), and I was left to go it alone, providing lawn and gardening services in southern Orange County, CA.

SURVIVING AND THRIVING

Somehow, the business survived and thrived, transitioning into a full-service landscape construction and maintenance company, riding the boom and bust cycles of the southern California real estate market. As the company grew, so did our family and its involvement in the company.

How time flies! Fast forward to the present. Bemus Landscape Inc. has four branch locations and 370 full-time employees producing revenues of \$20 million in 2010. Four family members play a significant role in the company today: brother-in-law Jon Parry serves as general manager; son Colin Bemus runs the field operations; son Corin is in charge of business development; and son Spencer runs the San Marcos branch.

Daughter Claire worked in accounting and IT
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BECAUSE GREEN MATTERS.

A national non-profit service organization, Project EverGreen works to help spread the good word to consumers about well-maintained lawns and landscapes, sports fields, parks—anywhere that green exists. The more people believe in the environmental, economic and lifestyle benefits of green spaces, the better off we'll all be.



WORKING TOWARD A SUSTAINABLE FUTURE.

Together with key industry partners, Project EverGreen has established the following programs to help make a greater impact, sooner:

GreenCare for Troops SnowCare for Troops



- Project EverGreen connects military families with lawn and landscape companies, as well as snow removal companies to receive free services while their loved one is serving overseas.
- More than 3,500 contractor volunteers and 11,000 military families have signed up for GCFT, while 800 contractor volunteers and 700 military families signed up for SCFT.
- These popular programs have garnered attention on TV and in newspapers across the nation including Mike Rowe's *Dirty Jobs* and NBC's *Nightly News*.

GreenCare for Communities



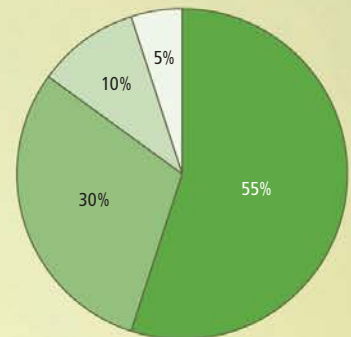
- Creating a focused effort on select communities across the United States, this program brings industry professionals, consumers and anyone who's passionate about healthy green spaces together to improve their city and surrounding areas.
- Over the last four years, our message has made a positive impact in: Akron, Ohio; Milwaukee, Wisconsin; and from the corridor spanning from Greensboro to Raleigh, North Carolina.
- In 2011, Project EverGreen will bring our message to Ft. Myers, Florida.

GreenCare for Youth

- By reaching out to children of all ages, we can create a greener tomorrow.
- The Art of Green Spaces Competition, sponsored by Birds and Blooms, encourages students to use all forms of art to share how they feel about the green spaces in their lives.
- Golf bag tags, featuring messages on the benefits of green spaces, are given to participants of the GCBA Sticks for Kids program.
- Youth sports field renovations make playing surfaces better and safer.

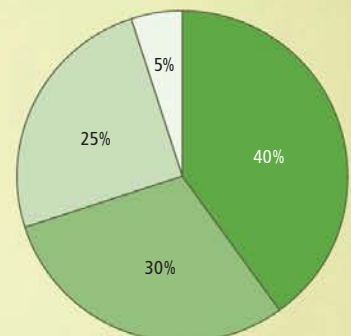
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For more information about Project EverGreen, call us toll-free at 1-877-758-4835 or check us out on Facebook at www.facebook.com/ProjectEverGreen.

www.ProjectEverGreen.com

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before moving on to become a CPA. Today she is employed by one of the Big Four financial firms, but she still helps out after hours when called upon.

Reflecting on the fact that Bemus Landscape Inc. is now fully engaged with and being driven by the second generation of the Bemus family, I am proud of several things. First, the family members work harder and are more productive than their peers. (Our sons are particularly wary of being labeled as “the boss’s kid,” with all of that term’s connotations.)

Secondly, the positive feedback I receive from clients who are now dealing with my children is gratifying. Finally, and this is not so much something I’m proud of, but rather something I’m grateful for: Our family really enjoys hanging out together.

All of us live in San Clemente. We have ample opportunity to spend time together, and we take advantage of it: beach days, birthdays, holidays, golf days, industry events and fundraisers. You name it, we have fun doing it together. And now we have the third generation coming on line. (Grandchildren are your reward for not murdering your kids when they are teenagers.)

KEYS TO BUILDING A SUCCESSFUL FAMILY BUSINESS

Set an employment policy that applies to all family members and determines guidelines and qualifications for employment. Think in terms of

more than one generation. Life happens fast. One day you are taking your boy to work during his summer vacation, the next thing you know, he’s a grown man and knows more about running the company than you do.

A family business starts out as Mom-and-Pop but quickly morphs into a business run by siblings in the second generation, then cousins in the third. Obtaining a position in the family business should not be by default or a fait accompli transaction. Make your company hard to get into and easy to get out of. Things to consider and incorporate in this policy: performance vs. peers, spouses working together, education, prior work experience, and the differences between part-time (e.g. after school) and full-time employment.

Every family business can be diagrammed by three overlapping circles representing the business itself, the family, and the ownership structure. Each of these subsystems may have different priorities and a different agenda. Individuals can find themselves members of one (an employee or a family member), two (an employee who is a family member), or all three of these groups (an owner/operator who is a family member).

Know which circle you are standing in when you communicate and which circle you are addressing. Is it “Dad” talking to “Son” or “President” talking to “Vice President”? When at work, keep it professional. If not, it can be extremely uncomfortable for non-family members.

I recommend hiring a family business consultant. An objective professional can help in many ways, such as setting up an advisory board and family business council; assisting in transition, succession, and estate planning; and most importantly, facilitating communication between family members, employees and owners around the sometimes delicate and emotionally charged issues faced by every family business.

We have been fortunate to work with Dana Telford of the Family Business Consulting Group (www.efamilybusiness.com), and I highly recommend his services. Whatever I know about running a family business was either learned by making mistakes, or learned from Dana. (It’s less painful learning from Dana.)

The most important thing of all? Marry the right person. I sure did. **LMI**

Bemus is the founder of Bemus Landscape Inc. Contact him at bill.bemus@bemus.com.

The Bemus family has faced the challenges posed by running a family business, and overcome them.



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PLANNING FOR RETIREMENT

The sooner you plan for the future, the better off you'll be when it gets here.

BY CASEY PAYTON

Preparing for retirement is no quick deal. It's something that needs to be planned for from the early days of business. While retirement may be tough to even consider for young companies, the earlier you start planning, the better.

LM recently spoke with several industry veterans about the key factors of planning for retirement.

GET YOUR FINANCIALS IN ORDER

Whether you plan to sell your business or have someone take it over, you always need to have your pulse on what the business is worth, says Michael McShane, president of Plantique Inc., Allentown, PA. He says he's planned for his retirement, but he doesn't believe it will be anytime soon.

"I believe that an evaluation should be done annually," he advises. "You have book value, future earnings and many other ways to value a business — but the evaluation is key. You want to stay on top of what your business is worth as you plan ahead for retirement."

Setting up a retirement plan within the company is also something to consider early on. Tom

Heaviland, president of Heaviland Enterprises Inc. in Southern California, says when the company was smaller, he had a simple IRA program — but eventually rolled that into a 401(k) as the company grew.

"No matter what it is, you need to get in the habit of putting those pre-tax dollars into a retirement fund," he suggests. "The younger you are and the earlier you start, the better. Compounding interest is one of the great scientific principles."

But before retirement even becomes a possibility, it means getting cash in the bank now. Chris Senske, president of Senske Lawn & Tree Care in Kennewick, WA, says that making sure you have sufficient income or assets to weather future storms is a crucial part of planning ahead.

"I have a brother who sold his professional services business for a tidy sum about 10 years ago," he says. "At almost 70, he feels the pressure of maybe not having enough cash in the bank to live in the style with which he has become accustomed."

NEW MANAGEMENT

One of the biggest changes to come with retirement is a transition of management. Senske says he's been preparing for a transition over the past five years by seeking quality individuals for leadership who can develop into long-term leaders.

"The most important characteristics I'm looking for in the leadership role are individuals who have creative ideas and a willingness to adapt to a new market as it changes," says Senske, who adds that though he's planning ahead for a transition, he has no immediate plans of leaving the industry he loves. "I am seeking out team-building players who have an understanding of how to coach and hold leadership at all levels accountable to constant improvement, continual personal educational development and individual drive to be successful."

Heaviland agrees with the strategy. "It may sound cliché, but surrounding yourself with strong people is an important factor," he says. "You should hire with the end game in mind, making sure you have a strong leader on the financial side, the sales side, the operations side — and, if you're big enough, maybe also the human resources side. Having the right people will ensure the business will always run fine, even when the owner is not there. But it definitely comes down to finding people who are committed to your vision."

For Dale Stell, founder and CEO of Lakeview