

# OWNERSHIP THINKING

## ARM THEM WITH KNOWLEDGE

Nathan Helder, a client of mine, and an owner of Gelderman Landscaping, bought his company a few years back from Hank Gelderman. Gelderman had built a highly successful, multimillion-dollar business by treating his employees well. He did not use fear, but he also did not share much information with them. There was a sense of pride, but also entitlement when it came time to hand out bonuses, for example.

Two things happened that prompted Helder to change the company culture. First, the economy got tight, and second, Helder decided to take his newly acquired business to the next level. He needed to increase productivity to do so.

Helder did many things to prepare for growth. One of his most important decisions was to hire a forward-thinking accountant (senior bookkeeper) who could partner with him in financially educating his staff. He then educated his leadership team on the company's profit and loss statements. He opened up the books.

Once his leadership team was educated and comfortable with the numbers, he started to involve his key foremen. In both his maintenance and construction divisions, he showed them how each crew contributed to the company's profitability, and what they could do to positively influence profitability.

All his key employees in the company now understand how they contribute as individuals and as a team. Subsequently, the company is performing better than ever, even through this recent recession.

But simply handing over more information is not enough. Because knowledge, without power, won't empower your employees.

## DELEGATE AUTHORITY

Giving your employees this new knowledge will only take them so far. Without authority to make changes, their ability to have an impact on the business will be limited. From all my years consulting, and running my own landscape company, I have come to realize there is a triple benefit to delegation:

**1 Customers get better service.** Many years ago, when running my company, I decided to give my managers authority to fire any client they deemed appropriate. This had a big change in how they approached difficult customers. Once they understood how their departments made money, they tended to complain less and manage their customers better. For example, the year I instituted this, one of my managers fired only one customer — though he had originally wanted to fire four or five.

We also authorized the managers to make money decisions (up to a certain dollar level), and the foreman/account executives to make on-the-spot money decisions at another (lower) level. We did this to satisfy customers who had service or warranty issues. In the end, our staff was happier with this authority — and because our clients were getting better service, they were happier, too. We also avoided a “lag” in response time that would happen when upper management got sucked into discussions on small-dollar issues.

**2 Owners and managers are freed up to focus on more strategic issues.** This is the traditional reason that managers should delegate, so that they free up their time to work on things like key hires, setting up new systems, analyzing data, meeting with key clients, etc. The key to delegation is giving your employees a clear goal; then spend time getting the result clearly

understood between them and yourself.

Try the following technique, called *active listening*: Once you have discussed a responsibility you want to delegate, have the other person describe in his or her own words what the result looks like, and how success will be measured. Once you feel comfortable that the goals are clear, ask the other person to commit them to writing.

**3 The staff feels empowered and their morale increases.** As an owner, you enjoy having the freedom to make plans and make decisions. You enjoy the independence and the feeling of accomplishment. The concept of ownership thinking means that your key people will want this same freedom. This is the third benefit of delegation, when executed correctly. The key to success is to not micro-manage. A micro manager is a boss who does not have a clear, concrete vision of success, and thus keeps nagging the employee on “how to” get the job done. In this case, neither party is happy.

## HIRE THE RIGHT PEOPLE

It is very challenging to find and keep good employees. I continually see landscape companies losing key employees to other industries. A client of mine once lost an educated landscape designer to UPS! Why? UPS offered good benefits, good pay, a stable company — and most importantly, UPS offers a clear career path.

We are no longer competing with other (better) Green Industry companies in our market; we are now competing with better companies, period.

Encouraging employees to think and act like an owner often pays off.



Achievement-minded employees of all generations want the following:

- › a clear career path with opportunity;
- › a set of systems they can follow, to ensure they do their job well and get promoted; and
- › to be included and made to feel part of the team, with regular interactions with the owners.

A good career ladder shows the employee what promotions and pay raises they can expect, based on the tasks and responsibilities they master, and the results they have to deliver. (For more information on career ladders, email me at [Jeff@JeffreyScott.biz](mailto:Jeff@JeffreyScott.biz).)

I remember when my company hired one of its now-top employees. We showed this employee our career ladder, and he flipped through it, looked at the back pages (high up the ladder, where pay and responsibility were high) and he said “yes, this is the company for me.” He was willing to start at a lower level pay, because he saw and embraced the path to success.

## REMOVE ‘PARENT-CHILD’ THINKING

Parent-child behavior is emotion-based. It’s not functional in a business environment. We all know it when we see it. For example:

A: “You should have your room tidy by now.”  
(Parent to Child)

B: “Will you stop hassling me? I’ll do it eventually!” (Child to Parent).

There is no place for this kind of behavior at a professional company. All businesses need “adult-to-adult” conversations to grow and prosper without stress. The following is an example of where the parent-child emotion has been removed:

A: “Have you been able to write the report?”  
(Adult to Adult)

B: “Yes, I’m about to email it to you.”  
(Adult to Adult)

The problem is, even if one person (a boss, supervisor or owner) does a good job of communicating like an adult, the other person can respond like a child and pull the conversation back into a child-parent relationship. Therefore, it takes vigilance to keep parent-child behavior out of your company.

Adult-Adult relationships are agreement based: You say what you mean, you mean what you say, and you do what you promise.

(If you want to learn more about “parent-child” thinking, Google “Transactional Analysis” or go to Amazon for books on the subject.)

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An exploded view of a Kohler engine, showing various components like the cylinder head, intake manifold, and oil pan, arranged in a semi-circular pattern. The engine is rendered in a dark blue color. The background is a light blue gradient with a bright light source at the top center, creating a lens flare effect.

# TOMORROW ARRIVES

## OCTOBER 27

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**KOHLER**® ENGINES

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## GAIN-SHARING MOTIVATES

Finally, when employees think and act like owners, they should be rewarded in a similar way as owners. Incentive plans or profit-sharing plans can be set up to allow employees at any level in the company to participate in the improved financial performance of the organization.

Here are three different kinds of gain-sharing.

**1 Piecework.** John Dominy, a client of mine, successfully installed this program in his company — though it did come with some ramifications.

The program is simple in concept: Pay your crews a percentage of the revenue, they produce. This works best when the crew is doing repeatable tasks, such as lawn care, lawn mowing, etc.

When Dominy first initiated the program, some of the crew members took to it like a bee to honey, but others did not want to work in such an environment, and quit.

Those who stayed ending up earning a double-digit raise through their increased productivity — and the company simultaneously lowered its costs and increased its revenue per truck.

**2 Profit-sharing.** The most profitable year I ever had when running my own landscape business was when I put my Top 3 managers on a profit-sharing plan. I told them we are all in this together, and if we can all perform at a high level, and support each other through the process, we will all share in the same profit-sharing bonus. The group became more accountable to each other for their results, but also for being team players — and for being an extra set of eyes for the other departments.

**3 Over/under.** Construction managers, foremen and crews can also be incentivized by sharing in the gains from their installation jobs. For a company doing relatively small jobs, you can keep score and pay out the incentives on a monthly basis. For companies doing larger jobs, you may want to keep score on a quarterly basis — or simply an annual basis. (Keep in mind, though, that the crews and foremen will probably react better with incentives that pay on a monthly basis.)

## PUT IT ALL TOGETHER

Start backward, and make a few key decisions.

- › Decide how you will do gain sharing within your company, then design your systems accordingly.

- › Involve your leadership team in your decision, and get their input. If they do not understand how the company makes money, then educate them how to read your profit-and-loss statement (at a minimum, this means direct costs and equipment and supervisory costs).

- › Decide the type of information they will need, to direct and influence their performance.

- › Decide the type of employee that will best work in this environment.

When making big changes like this, it is best to have an advisory board, peer group or mentor you can bounce your plans off before you implement them. The biggest mistake you can make is to begin implementation with half-baked ideas, then change your plans mid-course. Doing this will set you up for failure. Avoid failure by having a group of advisors you trust to bounce off your ideas and help you flesh out your basic plans. **L.M.**

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## ARE YOU TRACKING THE RIGHT INFORMATION?

Ownership thinking requires that everyone is on the same page in terms of key operational results, but it can backfire if the wrong operational data is being tracked. You need everyone pulling in the right direction.

### › What data do your crew and managers need?

Time spent at the yard each morning and afternoon? Total non-chargeable time as a percent of hours paid? Budgeted vs. actual hours? Overtime hours?

### › What data do the sales and marketing staff need?

Number of proposals given vs. budget? The win/bid ratio for proposals? Upsales as a percent of total maintenance?

### › What information does the office need?

Paperwork turned in (or synced) on time? Billing data complete?

You will greatly empower your staff to think like an owner, when you get them on the same page in terms of key operational goals (measurements) to hit.

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# LEAVE NO MAN BEHIND

The only survivor of the helicopter crash that inspired the movie “Black Hawk Down” explains that for a business to excel, all employees must be successful.

BY **DAN JACOBS** EDITOR-IN-CHIEF



**T**he phrase “battle hardened” could have been invented for Michael Durant.

Durant was the lone survivor of the Battle of Mogadishu during which his helicopter crashed and he became a prisoner of Somalis. His story was retold in the 2001 movie “Black Hawk Down”.

Durant was in Somalia during October 1993 as part of Operation Restore Hope, a United Nations effort to restore order to a country ravaged by civil war and famine.

While on a mission in Mogadishu, a helicopter went down, killing the two pilots but sparing the five men in the back of the vehicle. Durant piloted one of the Black Hawk helicopters that responded to the crash. Unfortunately, Durant says, there was no good solution to address that type of problem.

“The commander is forced to do the wrong thing,” Durant says. “He sends another helicopter in.”

Durant and his team were flying in the area while a third hovering helicopter

put on the ground. That helicopter is hit by rocket-propelled grenade, and though damaged it is able to finish delivering its crew and head back to base.

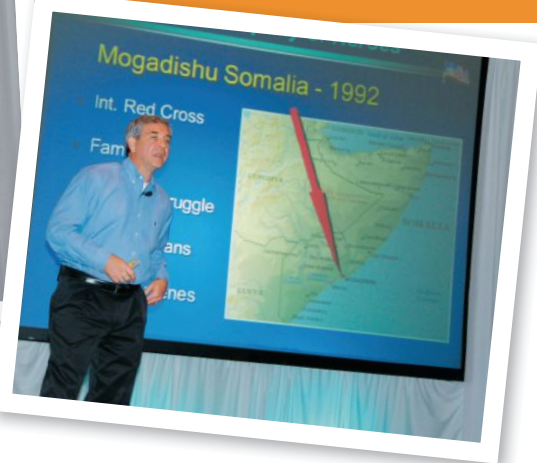
“The commander wants me to orbit the target, fly around it so that I can use our mini-guns, the guns on the side of the aircraft to support the troops on the ground,” Durant says. “We made it around about three times.” At that point Durant’s MH-60L Black Hawk helicopter, dubbed Super Six Four, is hit by its own rocket-propelled grenade and goes down.

“We came down so fast, spinning so violently I couldn’t see anything,” Durant recalls. “I could see brown earth, blue sky, the horizon line. I was doing everything I could to keep the thing upright. We impacted on the wheels. That’s the only reason I’m still with you here, today.

“We hit so hard that my right femur breaks off on the edge of the seat and my spine is crushed — not the disks — the bones actually crash into each other, and one of them crush 30%.”

Remarkably every one of the crewmembers of his helicopter survived the crash.

“However, we are in a very desperate situation,” Durant recalls. “We’re



Durant addressed an audience of RISE (Responsible Industry for Sound Environment) attendees in September in Sarasota, Florida.

eye socket. They throw dirt in my face, wrap a rag around my head, pick me up and start carrying me through the streets and take me into captivity.”

Durant was released after 11 days of captivity, but not before he was subsequently shot and forced to make a video confession, both of which are against all International protocols for treating prisoners of war.

Durant retold his story at last month’s RISE (Responsible Industry for Sound Environment) annual conference at the Ritz-Carlton Hotel in Sarasota, FL. It was a long way from his time as a prisoner of rebels in Mogadishu, Somalia.

injured badly, we’re isolated and we’re surrounded. It’s a matter of minutes before we’re overrun.”

Two Delta Force snipers riding in a helicopter circling overhead saw that Durant and possibly the others were alive and radioed operations headquarters asking permission to “go in.”

Durant explains operations initial reaction. “Back at operations, they look at the situation and they basically reach the conclusion that this is not a survivable situation. We’re not going to allow them in.”

The soldiers repeat the request to go in to attempt a rescue and are again denied. As the two men see Somali forces closing in on the downed helicopter and their comrades, they make a third appeal, and the commander back at the operations center finally gives them permission. They’re dropped off and make their way alongside the helicopter.

“The first time I see them, they’re standing next to me at the crash site,” Durant says. “I think it’s over. There’s a reaction force that’s here, they’re going to load us up on vehicles, get us home, patch us up and we’ll be flying again in a few months. What I didn’t realize was there was only two of them.

“It took the Somalis about 15 minutes to overrun the site, even with the (two Delta Force soldiers, Durant and the surviving crew members) “doing what we could to hold them off.”

The brief battle continues until the Americans run out of ammunition. At that point only Durant is still alive. And the Somalis take over the site.

“I was absolutely convinced I was going to die,” Durant says. “I essentially played possum. Whatever they wanted to do, I let them do. They tried to rip my gear off; they were pulling my boots off. As some point the femur goes outside the back of my leg. They break my cheekbone, my nose, my

### LESSONS LEARNED

Durant’s story isn’t just riveting (to watch a video of him telling the story go to: [www.landscapemanagement.net/durant](http://www.landscapemanagement.net/durant)). The story is also illustrative of what can go wrong when leadership fails.

“There is only one item I would say is not an A-plus on this mission: strategic resources,” Durant says. “And just that one item causes this thing to unravel.”

The commanders on the ground in Somalia had requested tanks to support the various missions, but had been denied by those focusing more on budgets than battles. They simply were not as familiar with the operation.

“So, when you think about leadership and you think about responsibility, you think about teamwork and you think about the people behind the scenes — the ones who don’t have the glamour jobs, it has to include all of that. Everybody has to be successful for the overall organization to be successful. Everybody’s got to pull his weight. If decisions are made incorrectly at any point within the organization, yeah, you might get by for a while, but sooner or later, you will fail. Hopefully the results won’t be on the scale they were in Somalia.” **LM**

### DURANT’S “KEYS TO MISSION SUCCESS”

- 1 **LEADERSHIP**
- 2 **RESOURCES**
  - Personal
  - Organizational
  - Strategic
- 3 **TACTICS**
  - Military
  - Political
- 4 **TRAINING**
  - Flight
  - Physical
  - Soldier
  - Cultural
- 5 **PLANNING**
  - Detailed planning at all levels
  - Continuous reassessment



# MOST VALUABLE ASSETS

Despite the economy, landscape companies aren't taking their employees for granted. BY **BETH GERACI** SENIOR EDITOR

**W**ith landscape companies struggling in recent years, some workers have lost their jobs. But that doesn't mean Green Industry business owners don't value their employees.

They do. In fact, some executives fight just as hard to keep them as they do to recruit them.

The Mickman Brothers landscape division is having a record year, says Mickman Brothers Inc. President and Chief Executive Officer John Mickman. He attributes that success to the fact that the company has garnered many high-end residential projects in 2011, often to the tune of \$40,000. The largest landscape job Mickman workers completed this year was a \$300,000 residential job.

Large-scale jobs like those — as well as smaller jobs — require a dedicated, knowledgeable staff and crew, Mickman says. But motivating and nurturing employees takes work. That's why Mickman Brothers goes to great lengths to train its employees intensively, promote them from within and reward them for jobs well done.

This year, Ham Lake, MN-based Mickman Brothers hired three foremen from outside the company, a rarity. "We always hesitate to hire from the outside for that type of position, but we've been so busy we didn't have anybody to move up through those ranks," Mickman says.

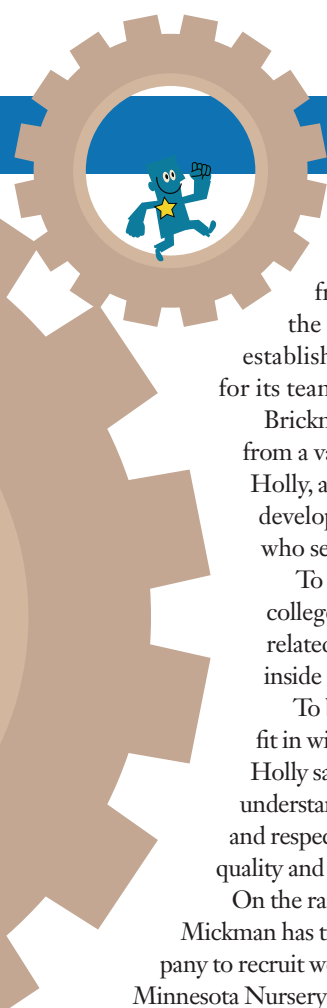
"I try not to hire outside foremen, because I don't know where their training is coming from," Mickman says. At his company, foremen are trained for at least two years. If they are hired from outside the company, he requires them to have five years of experience.

Over at Gaithersburg, MD-based Brickman Group, company managers work hard to promote from within. "Promoting from within is a cornerstone of our employment strategy," says Brickman Communications Manager Margie Holly.

Brickman is home to 10,590 employees, 8,055 of which are hourly and 2,535 of which are full-time staff. The company has a formal process to enable employees to take advantage of advancement opportunities, Holly says.

"The team member and manager together identify the employee's goals for professional growth, and what training they need to prepare for advancement," she says. The company offers training in both operational techniques and standard professional skills, such as communication and leadership.





Covering everything from sales to management, the training at Brickman establishes a strong foundation for its team members, Holly says.

Brickman also “recruits talent from a variety of sources,” says Holly, and has a staff of employee development and recruiting pros who seek talent nationwide.

To recruit, Brickman looks to colleges offering horticultural-related degrees and seeks both inside and outside talent.

To be hired, a candidate must fit in with the company culture, Holly says. That means they should understand the value of teamwork and respect and be passionate about quality and service.

On the rare occasions when John Mickman has to venture outside the company to recruit workers, he advertises on the Minnesota Nursery and Landscape Association Web site. In fact, Mickman found most of his outside workers from that Web site, he says.

To retain employees, Mickman strives to treat his employees well. That means paying them at or above market rate, hosting seasonal company parties at his home, and acknowledging his employees at awards banquets. To communicate openly with its workers, Mickman Brothers also shares its financials with its team at year’s end.

“As important as a paycheck is for everybody, I really feel that anybody’s employees need to feel like they’re a necessary part of the company, and we try to acknowledge their importance.”

He acknowledges their importance by reminding himself that Mickman Brothers is “not these buildings. Our company is our people, and every single one of them is important.” Apparently, Mickman employees appreciate that philosophy, because they stick around a while. Although there is regular turnover in landscape laborers, Mickman’s key personnel often stay on for 10 years or more.

It’s the same at Brickman, where the company has a nearly 90% retention rate for full-time employees and the team is “among the most tenured in the industry,” Holly says. Branch managers stay on for an average of nine years, regional managers 13 years and senior division

leadership for 16 years, she says. Holly attributes that longevity to Brickman’s family-like culture and tendency to foster its employees’ goals.

Brickman also openly praises its team members, both formally and informally, Holly says. “So whether it’s including them in a strategy session, a public pat on the back, or a private thank you for going above and beyond, part of our managers’ job, as leaders of their business, is to understand their team, and to motivate and appreciate them appropriately,” says Holly.

As Brickman does, Mickman Brothers motivates its employees by reviewing each one annually and helping each establish goals. “If you don’t know what’s expected of you, you may think you’re doing a good job, but you really might not be living up to the expectations of your supervisor,” Mickman says.

By setting goals for its workers, Mickman inspires them to meet deadlines and work efficiently. For example, the company has a job sheet for its construction division that sets daily goals for workers based on the number of hours they’re working that day.

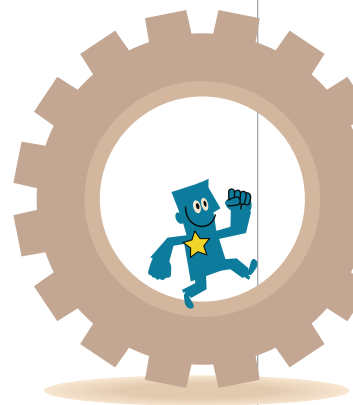
If they go over the amount of time they estimated the job would take, the company discusses with them why it happened.

“Every single job these foremen do, they want to know how they did. They’re highly motivated to be successful,” Mickman says.

Every year at Christmastime, the entire

Mickman team closes up shop and gets busy manufacturing balsam wreaths — more than half a million of them. The wreaths are sold to non-profit groups throughout the country as fundraising tools. Throughout the process, the company goes through 1,500 tons of balsam boughs. Mickman says the wreath making is valuable for many reasons, not the least of which is it inspires his team to work together toward a common goal.

Holly says she doesn’t know if there is one best way to retain employees today. But she is sure of one thing: “People stay where they feel valued, where they have opportunity to grow and challenge themselves, and where they know they are making a difference.” LM



John Mickman (right) with brother, business partner and company cofounder, Chris.



# CUSTOMER SATISFACTION GUARANTEED

To stay ahead of the curve, companies are making a stronger push to build on their customer foundation.

BY **BETH GERACI** SENIOR EDITOR

**W**hen consumers are struggling to pay the bills, convincing them to pony up for services they view as extra is not easy. So instead of striving to attract new clients, landscape companies are working harder to solidify their current client base, relying on customer satisfaction to keep their cash flowing. Some companies, like these, have retained as much as 76% to 100% of their clients over the last year. Here's why.

## FACE TIME

"It's easier to keep a customer than to go out and find another one," says Russell Simpler, managing partner at Smith Lawn and Tree, Fort Worth, TX. Simpler says he's made a larger effort in 2011 to visit job sites weekly or monthly.

"The more you show your face and the more you have a relationship with someone, the less likely it is they're going to switch, even if someone offers a better price," he explains.

John Newman, president of Classic Landscapes Inc., Hampton, GA, also puts in monthly face time with clients. "You can't manage a property if you don't visit it," he says. "We all realize the economy's tight. Let's make sure we don't

