ready for us to make treatments from late February on, we don't have our plans in place to start until we get close to the second week of March."

Small (one or two-man) operations might be able to respond to the weather more than the bigger players. "When you're running a business that's got multiple people involved, you have to plan around a 'normal' year," Fogarty says.

#### **Disease and pests**

"If the pattern of running things ahead of schedule continues, we can expect to see pests showing up, disease show up ahead of schedule," Zwack says. "Dutch Elm Disease (could appear) in late May or early June. We may have more visibility of those problems."

Klausing looks at a degree-days calendar to plan for pest outbreaks.

"We're adding up the sum of all the temperatures every day," he says. "This is how you get an indication of when pests are going to become active.... We can take a look at our delivery schedule and we can get an indication of what services are also going to come early."

"We accumulated as many growingdegree days in late March as we had in late April or early May last year. It gives you a sense of how far ahead we are. It throws the timing off when it comes to management of those problems."

#### **Return to winter**

Despite the early warm weather across most of the country, a late April East Coast storm proved that weather is evermore unpredictable.

"When we have unusually persistently warmer than normal weather early in the year, you start to get trees and shrubs breaking buds and put out leaves much earlier in the calendar than they normally would," Zwack says. *continued on page 23* 

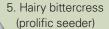
## **THE UNLUCKY 7**

Unusual weather means unusual things happening, or at least happening at unusual times. Kathie Kalmowitz, Ph.D., technical specialist – South, BASF Professional Turf & Ornamentals, provides a list of weeds that many lawn care professionals are seeing this spring and summer.

#### TROUBLESOME 2012 WEEDS (SOUTH):

- 1. Bluegrass
- 2. Crabgrass
- 3. Poa annua
- 4. Chickweed

(prolific seeder)



6. Lawn burweed

7. Speedwell, also called veronica

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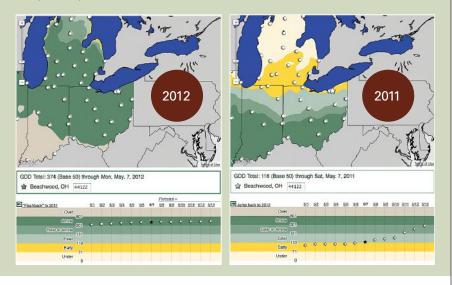


## COVER STORY

## **GROWING DEGREE DAYS TRACKER**

Nothing beats being in the field. But contractors looking for advice on when to apply preemergents or expect certain weed outbreaks can turn to Michigan State University's Growing Degree Days Tracker (www.gddtracker.net/).

The site uses weather data to provide estimates for when activities will occur. For example, on May 6, 2012, conditions across most of Ohio and the southern half of Michigan were ideal for weed flowering (darker green). On the same date last year only the southern half of Ohio saw those same conditions.



#### continued from page 21

"When you combine the weight of those new leaves plus the weight of the heavy wet snow, we see more damage from those scenarios.

"Trees are just not used to that extra load. In summertime (with a big wind event), those trees act like a sail with all those leaves on there. If you start to add dead weight, sitting on those branches, on top of the weight of the leaves, it becomes an issue of biomechanics. It's a recipe for failure."

Failure for trees, but it could give a lot of businesses that lost revenue during the winter a boost because there was no snow to remove.

"When there's damage like that, the services that are provided by tree care companies are in high demand," Zwack says. "Storm damage is hard work and it's dangerous. On the upside for business, (companies) are going to have people busy for weeks or months."

Klausing's Kentucky-based team has been evaluating how current conditions will affect future business.

"If turf comes three weeks early, you can bet shrubs will," Klausing says. "While we might typically start shrub pruning, sometime in May, we anticipate that is going to happen toward the end of April or early May. We're going to start getting calls."

And there might be some surprises vet to come.

"I don't know if it means we're going to have a huge crab grass year," says Fogarty. "We've gotten to the point where the soil temperatures are well ahead of where they need to be, for crabgrass to germinate, but we haven't seen crabgrass. There must be some other factor at play."

Whatever factors are at work, the early start to the season is keeping contractors on their toes.

"The business end of this becomes challenging," Zwack says. "Buying products and getting your materials in, all that stuff sort of hits you. It's not like at any given moment you knew this pattern was going to continue. You stay alert; you stay attentive." LM

## Spring Maintenance **Tips from** Mobil Delvac<sup>™</sup>

As the summer months approach, don't overlook the impact winter has had on your vehicle. Consider the long term health of your truck by following these key maintenance tips:

- Fluids Freezing winter temperatures can diminish the effectiveness of vital engine fluids. Check your engine oil and other fluids.
- Tires If you're still on your winter tires, switch to all-season tires. Have the air pressure and tread levels checked and your tires rotated.
- Brakes Months of stop-and-go driving over icy roads can wear down brake pads. If you hear any squeaking or grinding noises, get your brakes checked immediately.
- Wash A winter's worth of road salt can damage your vehicle's exterior, so give it a thorough cleaning.
- Wiper Blades Check to see if your truck's wiper blades held up against the winter cold and road salt. If they seem dry or cracked, swap them out for a fresh set.

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LM SUCCES

BY CASEY PAYTON

## The Grounds Guys

hen Derek and Maureen Paulk finished their military duty, they began looking for a franchise opportunity. A military job fair led them to The Dwyer Group. And The Dwyer Group's values and veteran program inspired them to become a franchisee of The Grounds Guys, a subsidiary of The Dwyer Group.

"It was definitely the people of The Grounds Guys that we liked the most," says Derek Paulk. "It was their code of values and their customer service that helped us make the decision. They put an emphasis on taking care of people."

Paulk and his wife knew they'd have to "start from scratch" with whatever they did, so working with people who shared their deepest values was even more important to them than the business itself. "We didn't get into comparing how much equipment one franchise required versus another or comparing other details like that," says Paulk. "For us, it really came down to the people and the values. Those were the deciding factors."

But having grown up on a ranch in Colorado, Paulk says he definitely liked the idea of doing landscaping work. Following high school, Paulk went directly into the Air Force Academy and has been part of the military ever since. "I did engineering for my first assignment and then flew fighters and was also an instructor," he says.

Paulk's wife, Maureen, who grew up in the San Francisco Bay area, also has a military background. She flew helicopters for the Army and now is on Air Force reserve duty. The couple met while they were contractors in Iraq, and the rest is history.

As veterans, the Paulks qualified for the VetFran Program. The program is supported by the International Franchise Association (IFA), which gives U.S. military veterans discounts toward the purchase of a franchise. As an active participant in the VetFran Program, The Grounds Guys offers a 25% discount on the initial base territory purchase for honorably discharged military veterans.

"That was a substantial amount and the discount made our decision even easier," admits Paulk. "We already really liked the company and they were also making the upfront cost affordable for us."

Paulk says being a new business owner is a challenge but the support they've received from corporate has helped. "They have all the systems already in place," he says. "We feel like we've gotten a lot of the support we needed to get started."

Maureen feels that same support. "The foundation of a 'Culture of Care' (The Grounds Guys' motto) has been a launching pad for every element of



Derek and Maureen Paulk became a franchisee of The Grounds Guys because they were inspired by the company's people and values.

#### **PUBLIC PROTECTORS**

In addition to being part of the VetFran program, which makes franchise opportunities more affordable to veterans, The Dwyer Group recently launched a new program for law enforcement and firemen. The Public Protectors Franchise Advantage (PPFA) program was developed to recognize the contributions to society that have been made by those serving in law enforcement and firefighting. PPFA awards a 20% discount on the initial franchise fee for the base territory for qualified future franchisees looking to open a franchise with any of The Dwyer Group brands. That includes The Grounds Guys, as well as Aire Serv, Glass Doctor, Mr. Appliance, Mr. Electric, Mr. Rooter, and Rainbow International.

this business," she says. "We've really taken that to heart."

And though the couple didn't come from a business background, they say their military background has helped them. "Having been in the military and contracting for most of our lives there was obviously a learning curve of running the business, hiring the personnel, and even the finance side, all of which take a lot of time on their own," says Derek. "But our military background has helped us with things like scheduling and operations. And The Grounds Guys has helped us with the other parts. As part of the system, The Grounds Guys also supplies us with a daily checklist, which is good for us with our military background. We're used to operating that way and we follow that checklist to a tee."

He says that anyone considering a franchise should follow their instincts and feel comfortable with the people they're going to be working with. "For me, it really does come down to the people," Paulk says. "In the military, you're working with good people --they're hard working, trustworthy and reliable. So those are the things I look for. We think the culture of The Grounds Guys is really great and the people we're working with exemplify those values. In the end, you get to build a culture - not just run a business and that's something that was really important to us."

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## THEBENCHMARK

**JEFF HARKNESS** 



The author, owner-manager of 3PG Consulting, is a 15-year industry veteran. Reach him at jharkness@questex.com.

# Your balance sheet can make or break you

*ews flash: Spring arrived about 45 days early this year.* While this means opportunity and potential business for some companies, others will experience a substantial shortfall in profit and a tightening of cash flow. What happened to all the snow? Cutting warmseason grass in March? Yikes!

Steady the ship and get your arms around your balance sheet. Start with these:

How much profit and cash is being eaten up by balance sheet transactions? Look at your current amortization schedules on existing debt and identify the next 12 monthly required principal payments.

Take the amount and timing of any new loans you are trying to get approved and put the details into an amortization schedule. Add this expense on top of the existing principle debt payments.

Add monthly dollars for any owner draw or distribution. This would include taxes for S-Corporation owners.

**Example:** Monthly payments from schedules and requirements A. \$ 5,000 + B. \$2,000 + C. \$3,000 = \$10,000 per month total

In simple terms, according to the example above, I need to generate \$10,000 per month in profit to cover these balance sheet expenses. If I generate less than \$10,000 per month in profit, then I have to borrow money to meet my obligations (line of credit) or eat into available working capital: (Cash + AR) – (Payables). Eating into available working capital assumes you have some.

Know your balance sheet benchmarks. A healthy balance sheet can help you ride out a rough patch (see table below). It is, by far, the most underutilized and misunderstood report with business owners. While we are just hitting a few a concepts at a high level, understand that if your balance sheet has errors on it, your profit and loss statement is flatout wrong. Understanding the relationship of both reports is where the cash flow light will go off.

Ratio	Formula	Result x 100
Debt to assets	LT debt dollars / Straight line net fixed asset dollars	40% or less
Asset turnover	Revenue dollars / Total assets dollars	375% or greater
Current ratio	Current assets (Cash + AR) / Current DB (Trade + LOC)	200% or greater
Debt coverage	Profit dollars / Debt payments	200% or greater

## TABLE: BALANCE SHEET BENCHMARKS

>>WHAT YOUR INDUSTRY IS READING

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## Jeffrey Scott's THE REFERRAL ADVANTAGE

How to increase sales and grow your landscape business by referral!

Win more clients and make more money!

## THE REFERRAL ADVANTAGE

The best Way to find new business

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Veteran Green Industry business owner Jeffrey Scott doubled the size of his design/build/maintain business to over \$10 million, by raising client retention in one division to 98%, and by increasing professional referrals from \$50,000 to \$2 million. Referrals are one of the cheapest and most effective ways to grow your business. In *The Referral Advantage* Scott teaches you how to ask for a referral, get your employees to create them, and even benchmark and track your referrals.

## **Author: Jeffrey Scott**

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## RISKMANAGEMENT

YOUR INSURANCE RESOURCE >> BY CASEY PAYTON

## Defense against theft

PROTECT YOURSELF FROM THIEVES WITH SOME PRECAUTIONARY STEPS AND THE RIGHT COVERAGE.

**ODAY'S THIEVES SEEM** to be getting bolder. They have been known to cut right through the trailer to steal what they want. Some might even take the whole truck.

While no precautions are 100% foolproof, there are ways to protect your business against theft. And because you can't prevent everything, it's important to be covered by insurance.

Zachery Bruce, loss control manager with Hortica Insurance & Employee Benefits, says being prepared will decrease your risk of becoming a victim.

"A lot of the equipment that we see reported stolen are smaller pieces of equipment like weed eaters or backpack blowers or attachments," Bruce says.

"It's the type of stuff that someone can just pick up off the back of the truck and walk away with. Just taking the extra few seconds to lock it down makes you less of a target, because a thief might decide to move on to the landscape company down the road whose (employees) didn't lock down their equipment."

Much of it is common sense. Don't leave keys in the truck, close everything up, and lock everything down. But with crews on tight schedules, basic steps often are forgotten.

Bruce says that even just a few extra seconds spent on securing locks may help prevent theft.

Larger equipment may be more difficult to steal, but it's hardly exempt. In fact, skid steers and zero-turn mowers are commonly stolen, thanks to their high resale value. To protect your equipment, older equipment that still operates by key needs to be re-keyed if it hasn't already, Bruce says. "The keys are universal, so that makes those items easier to steal," he explains. You can also take advantage of the latest technology. GPS tracking units could help you locate a piece of stolen equipment. And according to Bruce, they cost about \$400 and don't have a monthly service fee unless you activate them. "On a brand new skid steer, this is a small amount of money to spend to further increase your chances of finding it in the event it is stolen," he says.

Also put some thought into where you store equipment overnight. Don't store it in highly visible areas, says Bruce, who has done many property walk-throughs of his landscape clients' headquarters. "In some cases motion lighting, fences and even security systems are warranted," Bruce adds. "There are also a number of specialty locks on the market."

Bruce says it's also critical to have good records of your equipment and know all of your serial numbers. Painting the company logo or other distinguishable markings on the equipment make it easily identifiable and therefore less of a target. Taking pictures of your equipment can also help. The more information you can supply law enforcement, the better. Bruce also suggests registering equipment with the National Equipment Register (**NER.net**). The NER manages a database of equipment theft and ownership, helping make recovery more likely.

If equipment is stolen, file a police report first and foremost, Bruce says. And secondly, call your insurance company. Hortica will require several key items in order for you to file your claim, Bruce says.

"Be prepared to provide purchase invoices for the stolen items or a quote from your supplier to replace the equipment," he says. "A copy of the police report will be required for the claim file. If your insurance company orders a copy by mail, it may take several weeks before the report is received and a payment may be issued. If you are contacted by the police regarding recovery of any stolen items, you should notify your insurance company immediately."

Casey Payton is a freelance writer who has covered the landscape industry for seven years.



#### QUICK STEPS FOR PREVENTION

Zachery Bruce, loss control manager with Hortica Insurance & Employee Benefits, offers the following 5 Simple Steps you can take to make your business less of a target for theft.

**1** Visibility. Keep hedges and shrubs well-trimmed so they're not creating opportunities for someone to sneak onto your property.

**2** Fence it in. A security fence is a huge deterrent. Most thieves are looking for the easiest entry possible.

**3** Think big. Big-ticket items such as mowers get thieves the most cash, fast. Install antitheft devices such as fuel cut-offs, alarms and locks.

**4** Think small. Plants, pots, and even mulch may be small items, but they're also easy to steal. Lock up as much as you can at night or make items hard to pick up and load quickly by putting bricks on top of them.

**5** Use technology. There are so many options today — use security cameras, lighting controlled by smart phones, and even RFID technology to track stolen items. 9 9 8 7 6 5 4

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