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Landscape Management

OUR MISSION: Landscape Management — the leading information resource for lawn care, landscape maintenance, design/build and irrigation professionals — empowers Green Industry professionals to learn and grow from their peers and our exclusive business intelligence. Serving as the industry conscience, we not only report on but also help shape news, views, trends and solutions.

We have 21 expert-written stories to get you started.

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### **EDITOR'SNOTE**

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# Don't wing it

ou've heard them all, right? Failing to plan is planning to fail. Plans are useless; planning is indispensable. Plan your work and work your plan.

They're clichés, but I like them. Unfortunately, we all know liking a motivational quote doesn't mean you always live by its tenets.

I have to confess, I'm not "enthused" by the planning process like columnist Bruce Wilson is ("The power of planning," page 14). But I know Bruce is right when he says plans can be road maps to success and great tools for tracking performance and improvement. And I do love the feeling of having a plan in place, especially when I know *how* I'm going to tackle the tasks before me.

It was with that in mind that we devised the "how to" theme for this year's annual Business Planner edition of *Landscape Management*.

Strategic, long-range plans are vital, but sometimes you also need

**"Strategic plans are vital**, but sometimes you also need pratical planning tips." practical planning tips. Often, these ideas can be as simple as having a protocol in place or having the proper mindset for how you'll handle a given situation.

That's what we have for you here, starting on page 19. Twentyone industry insiders share "how to" prepare for and deal with many business-limiting challenges.

Consultant and former ValleyCrest exec Bill Arman shares the importance of scripting how an employee termination will go so it doesn't come back to bite you ("How to fire an employee," page 46).

*LM* columnist Kevin Kehoe offers an example of a company that grew in 2012 by making some predictions about labor costs, gas prices, interest rates and internal processes—and laying out how it would deal with them throughout the year. It's a must-read as you get ready for 2013. (See "How to prepare for next year" on page 34.)

Contractors Roger and Sue McCarthy share their key to a successful business and marriage: having a plan for when they talk about work and when they don't ("How to work effectively with your spouse," page 50).

The common denominator among these and the 18 other expertwritten "how to" stories in this issue? Don't wing it and hope things turn out well. Plan to succeed.

Let this issue of *Landscape Management* be your guide.

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GREEN INDUSTRY EVENTS, TRENDS AND TIPS

## **Congress extends H-2B wage rule block**

ast month Congress voted to extend through March 27 the law that prevents the U.S. Department of Labor (DOL) from implementing the H-2B wage rule. It was part of a stop-gap spending measure to keep the government funded beyond the start of the fiscal year, which began Oct. 1.

Late last year, the DOL issued two rules that could hurt the H-2B guest

worker program, potentially making it unusable for members of the Green Industry. The two proposed regulations are known as the wage rule and the program rule.

The wage rule would artificially increase labor costs associated with the H-2B program to an unmanageable level, according to the Professional Landcare Network (PLANET) and other user groups. "PLANET will continue to fight for a longer-term prohibition, but we are happy in the meantime our members

> will not be subject to unprecedented wage increases," the association said.

The program rule seeks to impose new costs, burdens and complexities. It can't be implemented due to a preliminary injunction issued against it in April in Florida's North-

ern District. The injunction applies nationwide.

LEGISLATIVE

"After the legal maneuvering in the case concludes, PLANET hopes the judge will make the injunction permanent," the association said.

### BASF to acquire Becker Underwood for \$1 billion

BASF will acquire Ames, Iowa-based Becker Underwood for \$1.02 billion. Becker Underwood is a global provider of technologies for biological seed treatment, seed treatment colors and polymers, as well as products in the areas of biological crop protection, turf and horticulture, animal nutrition and landscape colorants and coatings. Upon receiving the necessary legal approvals, the majority of Becker Underwood's business will be integrated into BASF's Crop Protection division.

"Becker Underwood has a strong position in North America," said Markus Heldt, president of BASF's Crop Protection division. "We will continue to expand this core business as we expand globally."



Markus Heldt, president of BASF Crop Protection

The acquisition complements the company's existing portfolio, especially in the area of seed treatments, seed coatings and biological, reports *LM's* sister magazine, *Golfdom.* "A lot of the products they've commercialized, and just recently commercialized, are of great interest because they are new to BASF," said BASF's Nevin McDougall, senior vice president of crop protection for North America. "I think some of [Becker Underwood's] future plans toward plant health are very interesting from the standpoint of our investment in that area and the future potential we see."

Becker Underwood, which was expected to achieve sales of \$240 million for fiscal year 2012, employs 479 people at 10 sites around the world. McDougall said BASF will take the next three months to create a plan to integrate Becker Underwood into BASF.

"The No. 1 goal of Becker Underwood and BASF is ensuring that our customers continue receiving the high-quality solutions they have come to expect from Becker Underwood," Charlie Hale, Becker Underwood's marketing strategy and support lead, said. "Except for a few already-planned lineup tweaks, including a couple new and/or improved products, no changes in the overall Becker Underwood product lineup is currently anticipated."

#### NEW TREE SERVICE FRANCHISE LAUNCHES

A new Green Industry franchise, Monster Tree Service, launched earlier this year at the International Franchise Expo in New York, *The Inquirer* (Philadelphia) reported. The Fort Washington, Pa.-based Monster anticipates selling 150 franchise units within eight years.

The franchise fee is about \$40,000. Several territories have been awarded on the East Coast, but no franchises have opened yet.

Monster's franchise disclosure document shows that in 2011, it had more than a half million dollars in EBITDA (earnings before interest, taxes, depreciation, and amortization) on sales of \$1.46 million. Mark Elson, Monster's director of franchise development, said he's not guaranteeing that level of financial performance for potential franchisees, but that the profit opportunity is there.

"No one really owns this industry," Elson said. "The opportunity is just phenomenal to be the household name."

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# INDUSTRY SNAPSHOT

THE GREEN INDUSTRY AT A GLANCE

#### **CONSUMER CONFIDENCE RISES**

Consumer confidence rose in September, according to The Conference Board. The index, which measures how Americans feel about the economy, rose to 70.3 from 61.3 in August. Confidence had declined in August. The reading came in well above the 63 reading that economists surveyed by **Briefing.com** expected, *CNN Money* reports.

#### **SAFE PARKING TIPS**

Parking lot incidents are typically low-speed collisions, but they can lead to expensive repair bills. For fleets, parking lot crashes are some of the most common incidents.

Here are some tips for safe parking, provided by the Network of Employers for Traffic Safety (NETS), which sponsors Drive Safely Work Week (Oct. 1-5, 2012). The tips and tools downloadable on **trafficsafety.org** are useful for safety training year-round.

**BACK IN, NOT OUT.** Where legal and where parking spaces are not angled, fleet safety experts agree it's safest to back into or pull through a parking space so your vehicle is facing out when it's time to exit.

**GET THE FULL PICTURE.** Having your mirrors properly adjusted for the best possible view is important for all driving maneuvers, but it's particularly so for safely backing into a parking space.

**GET IT STRAIGHT.** Once you've backed in, before exiting the vehicle, turn the wheel to straighten your tires so they are ready for you to drive out safely.

**APPROACH SLOWLY.** When pulling through to a parking space, particularly if there is an SUV or van on either or both sides, go slowly and be alert for other drivers coming from the opposite side that may not see you and could be approaching the same spot.

**IF YOU MUST BACK OUT:** Complete a vehicle walk-around to check for children and other objects before backing out. Once all is clear, exit promptly and cautiously, as conditions may change. Some fleet programs require tapping the horn twice before backing to alert others.

Revenue forecast for the U.S. landscaping services industry in 2017, according to IBISWorld. Industry revenue is expected to grow 4.2 percent over 2012, largely driven by an increase in per capita disposable income and a 20.1 percent increase in housing starts. Revenue is forecast to rise about 4 percent per year for the next five years.

Neek





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TIPS FOR SMARTER, SAFER CHEMICAL APPLICATIONS

#### By Lauren Wilson | FMC

As an applicator, some of the most important steps you can take to protect yourself and others after working with pesticides are also some of the simplest.

Maintaining good personal hygiene helps ensure that family and friends won't come into contact with the powerful materials you use on the job. Be



sure to wash your hands and bathe after handling, mixing or applying pesticides. Wash and store your work clothes separately from your regular laundry. Finally, wear clean work clothes and gloves whenever you're likely to come into contact with pesticides.

Lauren Wilson is the Technical Service Representative for FMC Professional Solutions.





Scan this tag with the Microsoft Tag Reader app on your smartphone for additional tips on safe and responsible pesticide use from our latest Stewardship Brochure. Need the mobile app? Get it free at http://gettag.mobi

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### RISKMANAGEMENT

YOUR INSURANCE RESOURCE >>>> BY CASEY PAYTON

### Beware the legal theory of construction defect

### LANDSCAPE FIRMS THAT WORK FOR HOME BUILDERS SHOULD SIGN CONTRACTS CAREFULLY.

INCE THE RECESSION. insurance companies are seeing a greater volume of claims from property owners, including construction defect claims. The little things a homeowner may have once ignored are now bringing on lawsuits. A construction defect claim is when a property owner makes a claim that there's something faulty in the construction. Landscapers can easily be brought into these claims, so we asked Hortica's casualty claim manager, Jud Ankrom, to break down what they mean.

While construction defect claims can be made anywhere, Ankrom says Hortica sees most of them in California, Arizona, and Nevada, possibly because court decisions may be more liberal in these states. Whatever the reason, it's a type of claim that can be devastating to a landscape business owner.

For example, say a homeowner contracts with a builder for a new home and the builder subcontracts a number of people to do the work, including a landscape contractor.

"In our experience, the landscape contractor may do only a small bit of work maybe \$1,200 to install some shrubs and do some finish grading," Ankrom says. "But the general contractor has made the landscaper sign a contract that says he will hold the general contractor harmless, pay any loss or defend the general contractor against any claims arising out of faulty work."

If the homeowners get into the home and realize it leaks, they will file a suit against the general contractor, who may turn to all the subs to get them on the hook, too. It could cost hundreds of thousands in defense costs, Ankrom says.

"When you're talking about multiplying the lawsuit by 300 or 400 homesthat's huge," Ankrom says. "As a result, we're finding that landscape contractors who do much of their work with national home builders are in a big dilemma. While they like the steady work, they can really be on the hook in construction defect lawsuits. As a result, l've seen these accounts finding it increasingly difficult to get insurance based on the problem of dealing with today's gigantic homebuilders and the growing number of lawsuits in the industry."

#### Words of wisdom

Ankrom has a few pieces of advice for landscapers:



Use the help of your legal counsel when it comes to signing contracts. "I know a lot of landscape contractors scoff at spending \$300 or \$500 an hour for an attorney to review their contracts, but when it comes to the cost of what a potential construction defect claim could be. that's peanuts," Ankrom urges. "You need to go into these contracts with your eyes wide open, and having a professional with your best interest in mind review the contract is critical."

Once the contract is reviewed and you know what you're getting into, Ankrom advises asking for your own protections and for cross agreements. "Everyone should bear his or her own responsibility," he says. "I do understand that with the advent of these 'hold harmless' clauses in contracts, that can be hard. But you need to be bold enough to ask for some protection of your own."

2 Landscape contractors also should be prepared to have their own subcontractors sign contracts. "I understand that with the way things are right now, landscape contractors often have to sign a contract with a 'hold harmless' clause and they don't have a lot of ability to negotiate," says Ankrom. "But I'm astounded how many of those same contractors don't then lock their own subs into agreements where they're held harmless. Sav vou have an electrician do some outdoor wiring for your landscape project and a fire starts. If you didn't have that electrician sign a contract that holds you harmless from their faulty work, that's now your responsibility. While there may be a common law right of subrogation, you've made your life that much more difficult."

**3** Be prepared to walk away when the risk is too big, Ankrom adds. "Some jobs just aren't worth taking," he says. "I do realize that in this economy it's hard to walk away from work. But if you're not confident you can fully perform the job or there is looking like a lot of risk involved, you're better off just walking away."

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